OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E58, Docket DMEA-654 (tin, columbium-tantalum, tungsten), dated July 16, 1951, with

Peggy Keenan, d/b/a Keenan Properties
and her assignee
Northwest Defense Minerals, Inc.
c/o Miss Peggy Keenan
Sheraton-Johnson Hotel
Rapid City, South Dakota

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Keenan Properties located in Lawrence County, South Dakota, during the period May 6, 1960, through March 6, 1964.

A certification of discovery or development was issued on May 29, 1959, and, in accordance with Article 2 and Annex II (a part of Amendment No. 8) of the contract, royalty is payable on all minerals produced from the land described in Article 2, Appendix I, and Amendments Nos. 3 and 8 of the contract for a period of 15 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated July 13, 1959, indicated accepted costs under the exploration contract amounting to $32,384.34 with the Government's contribution on a 90 percent basis being $29,145.91.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through May 5, 1960. Accordingly, as of March 6, 1964, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

March 10, 1964

E. D. Talbert, OME Auditor

Idm-E58 Northwest Defense Minerals, Inc., Assignee DMEA-654

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract as amended provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 49 placer claims on Potato, Bear, and Beaver Creeks in the Rawlins Mining District. In consideration of the contract and amendments thereto, subordination agreements and/or consents to lien were executed by the several owners: W. O. Fillmore on June 16, 1951, October 16, 1952, and July 26, 1954; W. O. and Lillian G. Fillmore on July 26, 1954; Dakota Tin & Gold Co. (Lillian G. Fillmore, Secty.-Treas.) on June 16, 1951, and October 29, 1954; Black Hills Tin Company on October 14, 1952, and August 26, 1954; and Northwest Defense Minerals, Inc. (Peggy Keenan, President) on September 27, 1954. On December 13, 1954, the Government consented to the assignment of the exploration contract from Peggy Keenan to the Northwest Defense Minerals, Inc., a Maryland corporation, without releasing the assignor from the provisions of the contract.

Exploration work by the Operator under the contract was terminated effective November 1, 1957, under the provisions of a Termination Agreement executed on August 15, 1958. There was no production from the property during the exploration period and subsequent examinations of the property and inquiries by regional DMEA and OME representatives disclosed neither production nor change in property status thereafter through March 7, 1960.

In January 30, 1964, replies to MME Form 63 inquiries, W. O. Fillmore (for himself and for the Dakota Tin & Gold Co.) indicated that neither production nor change in property status had occurred since April 18, 1962. In a March 6, 1964, reply to a MME Form 63 inquiry, Peggy Keenan (as president of Northwest Defense Minerals, Inc.) specified that since March 7, 1960, there had been neither production nor change in property status.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no minerals have been produced from the property since the date of the contract; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

March 13, 1964

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary
U.S. Department of the Interior, Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: EMEA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract I4m-E58

Attached is the Report of Royalty Review dated March 10, 1964 on the subject contract.

ORIGINAL SIGNED BY
Hugh M. Connors

cc: G. C. Selfridge
E. D. Talbert
E58
Chron

FILE COPY
O. M. E
800

Memorandum

To: Acting Field Officer, Region III

(Signed) E. D. Talbert

From: Chief, Contract Administration and Audit Division

Subject: DMEA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract Idm-E58

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 3-10-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

ROSS J. BEATTY, JR.
[illegible] SOUTH [illegible]
CHICAGO [illegible], ILL.
[illegible]

September [illegible]

Mr. F. M. Murphy, Acting [illegible]
Division of Minerals
U. S. Dept. of the Interior
Office of Minerals Explorat[illegible]
Washington 25, D.C.

Re: [illegible] A-65[illegible] (Lin. Co., Fa., [illegible] W)
[illegible] Northwest Delaware Minerals
Assign[illegible]

Dear Sir:

In reply to [illegible] letter of September 4th, please be advised that the [illegible] Hills Tin Company has been dissolved and the assets distributed to John T. and Ross J. Beatty, Jr.

We have no knowledge of the activities of the lessee, and to the best of our knowledge there has been no production.

Sincerely yours,

Ross J. Beatty, Jr.

RJB:IR
enc.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Acting Field Officer, OME Region III, Denver, Colorado, pertaining to Contract No. Idm-858, Docket No. DMEA-654 (Tin, Columbium, Tantalum, Tungsten), dated July 16, 1951, with

Northwest Defense Minerals, Inc.
1322 Second Avenue
New York, New York

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Keenan Properties located in Lawrence County, South Dakota, during the period July 16, 1951, through May 5, 1960.

A certification of discovery or development was issued on May 29, 1959, and, in accordance with Amendments Nos. 8 and 9 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 15 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated July 15, 1959, indicated accepted costs under the exploration contract amounting to $32,384.34 with the Government's contribution, on a 90 percent basis, being $29,145.91.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Inspection reports by representatives of the Field Team, Region III, and other documents in the regional files indicate that no minerals were mined or produced from the land described in Article 2 on which royalty would be payable to the Government during the progress of the exploration work or subsequent thereto; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher
C. E. Fisher, OME Auditor

May 6, 1960

OFFICIAL FILE COPY
O M E
RECEIVED MAY 27 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

May 25, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. [illegible]-654 (Zinc, Columbium, Tantalum, Tungsten)
Contract No. 16a-158
Northwest Defense Minerals, Inc.
([illegible] Properties)
Lawrence County, South Dakota

Enclosed is the original Report of Royalty Review on the subject contract for the period July 16, 1951 through May 5, 1960.

Original signed by

Hugh M. Connors

Enclosure

HMC/lm

cc: Chief Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. 158
Chron

JUL 2 8 1959

Memorandum

To: Acting Director

From: Special Assistant to the Director

Subject: Docket No. DMEA-454
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. [illegible]-858

On July 23, 1959, the writer telephoned Mr. Townsend to instruct him concerning his inquiry of July 17 relating to the closing of the subject account. It was suggested that Mr. Townsend write the operator immediately, in reply to her letter of July 14, informing her that the account had been closed as of July 11, that it would no longer be necessary for the company to submit a Final Report, and that the Government would not participate in the cost of a Final Report, in accordance with Mr. Townsend's letter of June 10 to Miss Peggy Keenan, President, Northwest Defense Minerals, Inc. Mr. Townsend informed the writer that everything was packed for moving to Federal Center, but that he would send a letter as quickly as possible.

The writer then asked Mr. Townsend what he had heard of the public's reaction to the OME program. Mr. Townsend replied that a large number of people had requested information and application forms, but none of them were submitting applications. He further stated that at present interest seemed largely centered around pegmatites, but as they had no targets (apparently meaning they were not zoned) they were not eligible for OME assistance.

At this point the writer explained one difference between the OME program and the old DMEA program, and that was that under the OME program we could now do some preliminary work which would allow the obtaining of pertinent geological and mineralogical information. After further discussion, Mr. Townsend had a better understanding of the new program, in that we were looking for new deposits, and said he would pass on the information to those working on OME matters.

George C. Selfridge

GCSelfridge/Rw-7/28/59
cc: Docket
Mr. Johnson
Mr. Selfridge (2)
~~Mr. Talbert~~
Director's file
Dir.Read.File

EXTRA COPY O. M. E. RECEIVED JUL 27 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

July 23, 1959

AIRMAIL
CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D 1522 Second Avenue
New York 21, New York

Re: Docket No. DMFA 654x (Tin, Columbium-Tantalum, Tungsten)
Contract No. Idm-153
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of July 14, 1959, and prior correspondence regarding the rendering by your company of a final engineering and geologic report pertaining to work completed under the referenced contract.

The required report was not received on or before July 10, 1959; therefore, the account was settled July 11, 1959, in accordance with advice to you in the letter from this office dated May 7, 1959, and in accordance with the Report of Review by the Contract Administration and Audit Division, OMF, dated July 15, 1959, a copy of which was forwarded to you July 22, 1959.

Since the Government cannot now participate in the costs of preparation of the final report, it will be unnecessary for you to submit the report.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend,
Executive Officer, OMF
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm. (2)
Finch
Hasler
ONE/DFC
Corres. file, Reg. III
Susp. file
Chron.

224 New Customhouse
Denver 2, Colorado

July 17, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Permit No. DMM 6942 (Ute-Columbian-Santaline-Sampson)
Contract No. Ma-[illegible], Northwest Refinery Minerals, Inc.
(Reading Mining District) Lawrence County, South Dakota

Enclosed are two copies of the Operator's letter of July 14, 1959, pertaining to rendering the required Final Engineering and Geologic Report.

In compliance with instructions in the letter dated June 26, 1959, from W. S. Martin, Acting Chairman, Operating Committee, closing procedures were initiated July 10, 1959, since the Operator's Final Report had not been received as of that date.

Please advise as to how we should proceed if and when the Operator's Final Report is received, if the account has been closed by that time in conformance with instructions of June 26, and prior correspondence in the matter.

J. W. Townsend

Enclosure

JWT:lm

cc: Donald T. Finch w/cpy Oper's ltr. 7/14/59
Final Rept file, Reg. III
Corres. file, Reg. III
Resp. file
Chron.

~~OFFICIAL~~ FILE COPY
O. M. E.
RECEIVED JUL 20 1959

DATE	INITIALS	CODE
		800

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OME
DEPARTMENT OF THE INTERIO
JUL 17 1959
REGION III
DENVER, COLORADO

NORTHWEST DEFENSE MINERALS, INC.

KEYSTONE AND SPEARFISH, SOUTH DAKOTA

CONCENTRATES:

BERYL, BERYLLIUM,
COLUMBIUM - TANTALUM,
FELDSPAR, MICA,
TUNGSTEN, GOLD

Office of the President

1322 Second Avenue
New York 21, N.Y.

July 14, 1959

Mr. J.W. Townsend
Executive Officer, O.M.E.
Field Team Region III
Dept. of Interior, 224 Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

When I returned from my trip from South Dakota, I found that contrary to the impression I had in my mind, the deadline was July 10 instead of July 15. Therefore, we may be delinquent in our work. However, there was no way in the world to act otherwise because of my traveling and the urgent need of closing our financial channels to safe guard the Corporation at the earliest moment. We are happy to report we are successful.

We can this week turn our attention to the D.M.E.A.(O.M.E.) report by the Operator and by the Engineer, R.M. Atwater, Jr. We will accept the figures of the D.M.E.A. auditor for the final accounting and do the best we can with the expenses involved and the rules and deadline you had to lay down.

We have had a photostatic blow up made of the Certification of Discovery and have both the letter signed by you and the Certificate framed for the walls of our office. We are very proud of the documents.

We will send reports at the earliest moment.

Yours very truly,

Peggy Keenan

Northwest Defense Minerals, Inc.
Peggy Keenan, President

EXTRA COPY
O. M. E.
RECEIVED JUL 20 1959

DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Northwest Defense Minerals, Inc.
115 East 40th Street
New York City, New York

pertaining to Exploration Project Contract No. DMA-E58, DMA No. 654X, including Amendments Nos. 1 thru 15, and Termination Agreement dated August 15, 1958 for the period July 16, 1951 to January 1, 1959, inclusive, covering a project for the exploration of Tin, Columbium, Tantalum, Tungsten, on property known as Keenan Properties located in Lawrence County, South Dakota.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

The review disclosed the following facts in regard to the amount paid or to be paid the Contractor:

Total cost as billed by Contractor		$26,960.02
Exceptions: (Schedule attached)		
Prior to this review	$122.92	
Less: Reinstatement by review	0	
Herewith	330.98	453.90
Total Accepted Cost		$26,506.12

32,354.34

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty Three Thousand Eight Hundred Fifty Five and 51/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator		$23,855.51
Less:		
Pro rata share of Government incurred cost for sample analysis as provided by Termination Agreement: (10% of $5,878.22)	$ 587.82	
Amount reimbursed	23,267.69	23,855.51
Balance Due Operator		$ 0

Total Government contribution (including 90% of $5,878.22) $29,145.91

July 13, 1959

Donald T. Finch

Donald T. Finch
GMI Auditor

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. IDM-E58 DOCKET NO. DMA 654X

NORTHWEST DEFENSE MINERALS, INC.

(a) Accepted costs of $19,000.00, applicable to Phase No. 1, adjusted to conform with Amendment No. 2 to the Exploration Contract were covered in a Report of On-Site Audit dated April 4, 1952, as amended on May 27, 1952.

(b) The monthly reports applicable to Phase II were supported by documentary proof of that portion ($1,742.50) of the costs which covered work performed at unit rates under independent contract and that portion ($5,763.62) which covered other costs for contribution by the Government on the basis of actual costs (per summary attached).

(c) The Administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

Schedule No. I

NORTHWEST DEFENSE MINERALS, INC.

CONTRACT NO. IDM-E58 DOCKET NO. DMA 654X

SCHEDULE OF EXCEPTIONS

Disallowances by Field Team		
Labor on Test Pits not authorized	$279.17	
Reenstatements by Field Team		
6¼ ft Test Pit at $25.00/ft		
Previously disallowed pending completion of work	156.25	
Net Disallowances by Field Team		$122.92
Disallowances During Review		
2½ Days Technical Services at $50.00/d	125.00	
(Technical Services performed Nov. 1,2, and 3, 1957 which was after Termination Agreement dated August 15, 1958 became effective		
Workmen's compensation applicable to wages in excess of those allowed	5.51	
Disallowance because of Operator's failure to file Final Engineering and Geologic Report. Authorized by Operating Committee	200.47	
Total Disallowances during Review		$330.98
Total Disallowances		$453.90

The Executive Officer, OME Field Team, Region III and the Auditor, concur with the foregoing disallowances and reenstatements.

NORTHWEST DEFENSE MINERALS, INC.

Schedule No. II

CONTRACT NO. IDM-E58

DOCKET NO. DMEA 654X

SUMMARY STATEMENT OF COSTS

	Phase I Total Accepted Costs 7/16/51 to 9/30/51 as Adjusted by Amend. No. 2	Phase II Total to Date MF-104, 11/3/57	Phase II Distribution Corrected	Disallowances Prior to this Review	Reinstatements Prior to this Review	Disallowances During Review	Accepted Cost Phase II	Total Accepted Cost
Independent Contracts								
Drilling - Churn		$1,742.50	$1,742.50				$1,742.50	$1,742.50
Test Pits		631.25	631.25		$156.25		787.50	787.50
Bulldozing			263.50				263.50	263.50
Labor and Supervision								
Labor	$7,915.84		979.10	$279.17			699.93	8,615.77
Technical Services		2,525.00	2,525.00			$125.00	2,400.00	2,400.00
Operating Materials and Supplies								
Gas and Oil		208.85	208.85				208.85	208.85
Travel Expenses		308.92	308.92				308.92	308.92
Other Supplies	1,292.69							1,292.69
Operating Equipment								
Rental	6,797.54							6,797.54
Miscellaneous								
Repairs to Equipment	70.74		110.92				110.92	181.66
Sampling and Analysis		338.00	338.00				338.00	338.00
Meals and Quarters		784.98	784.98				784.98	784.98
Extra Copies of Assay Reports			10.00				10.00	10.00
Compensation Insurance			28.00			5.51	22.49	22.49
Steel Drums			23.50				23.50	23.50
Other	2,923.19							2,923.19
Contingencies		1,420.52						
Parcel Post on Assay Samples			5.50				5.50	5.50
Disallowance, Operator's failure to submit Final Engineering and Geologic Report						200.47		
Totals	$19,000.00	$7,960.02	$7,960.02	$279.17	$156.25	$330.98	$7,506.12	$26,506.12

JUL 20 1959

Memorandum

To: Mr. Donald T. Finch
OME Auditor

From: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: Docket No. DMA-654X (Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
Contract Idm-E~~439~~ 58

Your Report of Review in lieu of a final audit of the subject contract is acceptable and normal distribution is authorized after revision of the original and all copies as follows:

(1) At the bottom of the report, between the balance due Operator and your signature, add the line:

"Total Government contribution (including 90% of $5,878.22) - $29,145.91"

(2) At the end of reason (a) of the attachment change the period to a comma and add:

"as amended on May 27, 1952."

These changes have been made on the Washington copies.

EDTalbert/fw-7/20/59

cc: Docket
Dir.Read.File
CA & A Division

EXTRA COPY O. M. E. RECEIVED JUL 13 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

July 10, 1959

Memorandum

To: D. T. Finch, OME Auditor, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 654 (Tin, Columbium-Tantalum, Tungsten) Contract Idm-458, Northwest Defense Minerals, Inc., Assignee (Keenan Properties) Lawrence County, South Dakota

The Operator has failed to render its final engineering and geologic report as required by the contract; therefore, the account is to be closed in accordance with instructions in the memorandum from W. S. Martin, Acting Chairman, Operating Committee, dated June 26, 1959, a copy of which is enclosed for your records.

Also enclosed is one copy each of the following: letter from this office to the Operator dated May 7, 1959; memorandum from this office to the Chairman, Operating Committee, dated May 7, 1959; and memorandum to this office from the Chairman, Operating Committee, dated May 22, 1959. A copy of the letter from this office to the Operator dated June 10, 1959, was forwarded to you at the time of writing.

Before the account can be closed, it is necessary that this office be furnished a Certificate and Report of Audit or Report of Review of reported project costs, whichever the case indicates.

The entire amount of otherwise acceptable costs on which reimbursement to the Operator has been deferred is now to be disallowed as indicated in our letter to the Operator dated May 7, 1959.

All work under the contract was performed on a cost incurred basis.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:jy
cc: Chm. Op. Comm. (2)
Harshman
OME/DFC
Corres.
Suspense
Chron.

[redacted]

[redacted]

June 10, 1959

[redacted]

Mr. Peter Thorpe, President
Northwest Indian Minerals, Inc.
1 W 42nd Street Annex
New York 21, New York

Re: Project No. MDA 6[illegible] (Min-
Colombian-Dominican-Congolese
Contract No. [redacted]
Northwest Indian Minerals, Inc.
Moskina Mining District
Lawrence County, South Dakota

Dear Mike Rentier:

Receipt is acknowledged of your telegram of June 10, 1959, regarding completion of your final engineering and geologic report and final accounting.

We will extend the deadline date for the receipt of the report to July 10, 1959, as you requested herein. If the reports are not in our hands on or before that date, we will proceed as outlined in the last paragraph of our letter to you of May 7, 1959.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Exploration Officer, GSE
Field Team, Region III

JWT:lm

cc: Chem. Op. Comm. (2)
Hanford
GSE/DC
Finch
Contrac. File Reg. III
RP-104 File (2)
Reg. File
Chron.

} w/copy of
email. tele-
gram

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CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

KD243

K NA298 DL PD AR NEW YORK NY 10 1219PME 1959 JUN 10 AM 11 22

J W TOWNSEND

EXECUTIVE OFFICER OME FIELD TEAM 3 DEPT OF INTERIOR 224 NEW CUSTOM HOUSE DVR

THANK YOU FOR CERTIFICATE OF DISCOVERY RE MAY 7TH LETTER JUST RECEIVED IT WAS NEVER OUR INTENTION TO DISREGARD OBLIGATIONS DMEA. CURRENT FINANCING HERE ALMOST COMPLETE WILL BE IN SOUTH DAKOTA BEFORE JUNE 27TH AND GET RECORDS FOR AUDIT AND 1951 ENGINEERING. ATWATER RETURNING FROM CANADA AGREES TO WRITE PROJECT REPORT REQUIRED ARTICLE FOURTEEN SEVENTEEN PLEASE

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

W. P. MARSHALL, PRESIDENT
The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1959 JUN 10 AM 11 22

ADVISE EXTENTION JUNE 10TH DEADLINE TO JULY 10TH REGARDS

NORTH WEST DEFENSE MINERAL INC PEGGY KEENAN PRESIDENT

=7 DMEA 27 1951 10 10.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 12 1959

DATE	INITIALS	CODE

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

EXTRA COPY O. M. E. RECEIVED MAY 18 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
May 14, 1959

CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 B 1382 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten)
Contract No. Idm-[illegible]
Northwest Defense Minerals, Inc.
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Enclosed herewith are the following listed checks which were submitted with Form MF-104, Operator's Monthly Report and Voucher for the period from October 9 through November 25, 1955. Photo copies of the checks have been made for our purpose:

Check No.	Date	Payee	Amount
165	July 19, 1955	Mrs. Donato	$25.00
197	Sept 28, 1955	Ben Franklin Store	5.28
201	Oct. 1, 1955	Safeway	5.75
206	Oct. 7, 1955	Safeway	4.29
218	Oct. 9, 1955	Safeway	2.62
219	Oct. 9, 1955	Ruth Rumsens	3.03
222	Oct. 13, 1955	Safeway	[illegible].84
235	Oct. 15, 1955	Safeway	12.65
241	Oct. 19, 1955	Kato Engineering Co.	[illegible].65
258	Oct. 24, 1955	Safeway	1.35
267	Oct. 27, 1955	Ruth Rumsens	34.40
278	Nov. 3, 1955	Safeway	5.87
286	Nov. 5, 1955	Ruth Rumsens	34.40
289	Nov. 10, 1955	T. C. Tor	4.95
290	Nov. 10, 1955	Ashley Variety	7.37
291	Nov. 10, 1955	(Jacks) Super Market	14.68
297	Nov. 12, 1955	Ruth Rumsens	34.40
508	Nov. 23, 1955	Ruth Rumsens	34.40
303	Nov. 22, 1955	Ruth Rumsens	18.39

Check No.	Date	Payee	Amount
520	Nov. 24, 1955	Hanson Grocery	$75.19
521	Nov. 24, 1955	Jacks Super Market	64.40
525	Dec. 3, 1955	Eddies Tire & Service	58.15
526	Dec. 3, 1955	Eddies Tire & Service	40.60
531	Nov. 26, 1955	Ruth Hammons	6.66

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosures

JDC:ltm

cc: Chmn. Op. Comm. (2)
Marshall, OME/DFC
Marshman
Corres. file, Reg. III
Cooper
Chron.

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE
		500

[illegible] Mar Customhouse
Denver 2, Colorado
May 7, 1959

Memorandum

To: Chairman, Operating Committee, GSE

From: Executive Officer, GSE Field Team, Region III

Subject: Docket No. IMMA 69AX (Tin, Columbium-Tantalum, Tungsten)
Contract Ida-[illegible], Northwest Defense Minerals, Inc.,
(Rankins Mining District) Lawrence County, South Dakota

In reference to the matter discussed in your memorandum of May 4, 1959, enclosed are two copies of our letter of May 7, 1959, whereby we allow the subject Operator until not later than June 10, 1959, to submit its final report.

Pre-audit analysis by the Contract Administration and Audit Division, GSE, indicates that it will be necessary to disallow an additional amount of $130.51 of the reported project costs. This will leave a balance of $180.42 withheld, representing $300.47 of project costs.

We believe that the entire amount of $300.47 should be disallowed in lieu of the Operator's final report. If you are in agreement, and will so inform this office, we will be able to immediately initiate closing procedures if the report is not received by June 10, 1959.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

	Costs	Op. 90%
Due Op. 11/14/58	$330.98	$297.88
Adjustments	130.51	117.46
Balance Due	$200.47	$180.42

cc: Harshman
Marshall, GSE/DPC
Corres. file, Reg. III
Cooper
Chrem
} w/copy of Chairman's Memo. of 5/4/59

5/12/59

E 58 Reconciliation of Acct.

Stage	Costs	Govt. Part.	Obligation	Obl. Bal.
I	$19,100.00	$17,100.00	$17,100.00	$ 0
II	13,715.32	12,343.79	26,937.90	14,594.12
	$32,815.32	$29,443.79	$44,037.90	$14,594.12

Paid to Operator	$23,267.69
" " Contractors	5,878.22
Due Opr. (subj. to audit)	297.88* - 117.46 (90% of 130.51 added disallowance)
	$29,443.79

*(a) Test pits (6¼' @ $25/ft) disallowed in Oct 29 - Nov. 22, 1955, MF-104 subsequently accepted by Fld. Team, 90% of $156.25 = $140.62

(b) Withheld in payment of Nov. 23, 1955 - Apr. 15, 1956 MF-104, pending resolution of matters relative to closing of account. 100.00

(c) Unpaid Oct. 4, 1957 - Nov. 3, 1957 MF-104 (90% of $716.75) 645.08

885.70

(d) Less: Operator's 10% share of amount paid to Contractors 587.82

Due Operator (subject to audit) $297.88

Talbert
11/14/58

Orig to 700

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE
5/11	a	220
"		800

22d New Customhouse
Denver 2, Colorado
May 7, 1959

REGISTERED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 B 1322 Second Avenue
New York 21, New York

Re: Docket No. DMA 6[illegible] (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-[illegible]
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to our letter of March 20, 1959, and to our previous correspondence, relative to your furnishing to the Government a final engineering and geologic report and final accounting report, as required under Articles 16 and 17 of the captioned contract.

We wish to cooperate fully with you in allowing ample time for submission of the reports, but if they have not been received by June 10, 1959, we will then consider that you do not intend to submit them. In this case, the estimated cost of the final engineering and geologic report will be charged against the amount being withheld from reimbursement to you, and any remaining balance will be paid upon final settlement of the account.

Very truly yours,

Original signed by:
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OMX
Field Team, Region III

JWC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OMX/NFC
Corres. file, Reg. III
Cooper
Chron

EXTRA COPY
O. M. E.
RECEIVED MAR 25 1959
800

224 New Customhouse
Denver 2, Colorado
March 20, 1959

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D 1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-458
Northwest Defense Minerals, Inc.
(Harding Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to our letters of November 24, 1958, January 26, 1959, and February 12, 1959, regarding the rendering of your final accounting and final engineering and geologic reports.

Final settlement of the account cannot be accomplished until the results of a final audit are released to this office by the Contract Administration and Audit Division, OME. The final audit cannot be scheduled until your final accounting and final engineering and geologic reports are received.

Because of an imminent reduction in personnel for administration of DMEA contracts it is imperative that all closing procedures be resolved without further delay. Therefore, in order that we can make plans for scheduling the account for audit, please advise as to the date on or before which we can expect to receive the final accounting and final engineering and geologic reports.

We again direct your attention to item 6 of the Termination Agreement, which specifies that the Government will contribute only to the allowable costs of winding up and settlement actions incurred <u>not later than</u> January 1, 1959.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Miss Peggy Keenan
Spearfish, South Dakota

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. file, Reg.III
Cooper
Chron

EXTRA COPY
O. M. E.
RECEIVED FEB 16 1959

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
February 12, 1959

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D -1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Your letter of February 2, 1959, requesting information, has been received in this office.

By letter of December 28, 1955, we requested from you essentially the same information pertaining to Phase I work as you are now requesting from this office. As the information was not furnished to us as requested, we are obviously unable to comply with your request at this time.

The report entitled, "Report, Keenan Properties", which was prepared for you by the Walter W. Johnson Company in 1952, and of which we presume you have a copy, should contain the basic information required for the Phase I portion of your final report.

In regard to the Phase II work, we believe that the available data listed in your letter, together with such working papers as Mr. Atwater will have, should be sufficient for preparation of the Phase II portion of your final report.

Enclosed are one copy each of voucher and accounting Forms MF-104, and MF-104A, which were prepared for information purposes, and which include all allowable Phase II units and costs to date, subject to audit, including the costs of transportation, processing and analysis of samples which was performed under the direction of the Government as provided in items 2, 3 and 4, of the Termination Agreement, dated August 15, 1958.

The Government has made payment directly to the vendors for the entire cost of transportation, processing and analysis of samples. The Operator's portion of these costs will be deducted from the amount previously withheld from reimbursement to your company, when final settlement of the account is processed.

Your final accounting report must include all of the units and costs contained on the enclosed forms, as well as any allowable costs of winding up and settlement actions incurred not later than January 1, 1959, as provided for under item 6 of the Termination Agreement.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer,
OME Field Team, Region III

Enclosures
JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman)
Marshall, OME/DFC)
Corres.file,Reg.III)
Cooper
Chron

w/copy of Operator's letter of 2/2/59

NORTHWEST DEFENSE MINERALS, INC.
SWORDFISH, SOUTH DAKOTA

DEPARTMENT OF THE INTERIOR
FEB 9 - 1959
REGION
DENVER, COLORADO

EXTRA COPY
O. M. E.
RECEIVED FEB 16 1959
DATE | INITIALS

CONCENTRATES:
BERYL, BERYLLIUM,
COLUMBIUM - TANTALUM,
FELDSPAR, MICA,
TUNGSTEN, GOLD

Office of the President

Feb 2 1959

Mr. J.W. Townsend
Executive Officer, OME
Field Team Region III
224 New Customhouse
Denver, 2, Colorado.

DMA
Project John E. 58
Docket 654X

Dear Mr. Townsend:

With reference to your letter of Jan 26, 1959, and to items 5 & 6 of the Termination Agreement dated Aug 15, 1958, I am still in New York with only the following DMEA documents available:

Termination agreement and correspondence.
Phase II Nov 5th 1955 Progress report
Phase II Report 3
Phase II Report 4
Inventory of Churn Drill hole concentrates sent to Denver.

If your office can furnish copies of Phase I and any missing reports necessary for the final engineering and geological report, Mr. R. M. Atwater, I will make the report while he is in New York. I will make an Operator's report.

No accounting sheets are available here, all reports and accounting

records are in large boxes in storage in Spearfish or in the Office of the Mine Cabin Headquarters.

We are endeavoring to use all possible speed to consummate finance for our production, so that I may leave for So. Dakota where I am long overdue. I am as interested as your Office is in concluding all matters in Items 5 and 6. The delay is devastating.

Please advise what copies you can furnish for Mr Atwater, he was not project engineer on Phase I and has no copies of that exploration.

Yours very truly,

Northwest Defense Minerals, Inc.

Peggy Keenan, Pres.

10-1322 Second Ave.

Wash. 98101

EXTRA COPY O. M. E. RECEIVED NOV 13 1958		
DATE	INITIALS	CODE
		800

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 7, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. IMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-658
Northwest Defense Minerals, Inc.
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

The project churn drill samples have been processed and analyzed, and the three remaining test pit concentrates have been analyzed by the Denver Equipment Company, at a net cost of $5298.48.

The Operator's pro rata share of this cost is reimbursable to the Government, by Northwest Defense Minerals, Inc., and will be deducted from money withheld from Northwest Defense Minerals, Inc., when final settlement is made, provided sufficient funds remain in suspense to cover the Operator's portion of the cost.

Very truly yours,

Original Signed
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Cooper
Corresp. file, Reg.III
Chron

EXTRA COPY
C. M. E.
10 58
CODE
800

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

November 7, 1958

AIR MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMMA 654X
(Tin-Columbium-Tantalum, Tungsten)
Contract No. Idm-258
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

The processing of the churn drill hole sample material has been completed by the Denver Equipment Company, and a report of the processing procedures giving results of analyses of the concentrates has been submitted.

So that we can forward you a one quarter split of the concentrates, and a copy of the report, please advise by return mail to whom and where they should be sent.

In conjunction with scheduling a final audit of contract expenditures, please advise the location of the accounting records maintained in conjunction with the previous work.

The audit of contract expenditures cannot be scheduled for performance until your final Engineering and Geologic Report, and final accounting have been received, and in turn, final payment to you cannot be made until the Report of Audit has been released to this office; therefore, prompt attention should be given the forwarding of your final Accounting Report, and the final Engineering and Geologic Report provided for under item 5 of the Termination Agreement, and under Article 14 of the contract form. Five copies of the final Engineering and Geologic Report are now required instead of the four copies stipulated under Article 14.

The Operator's portion of the costs of processing of the sample material and analyses of concentrates, including incidental transportation costs, will be deducted from funds withheld from reimbursement to you in processing previous accounting reports to the extent that such funds withheld cover the costs involved.

In addition to advise as to the forwarding of the concentrate splits, and report of processing, and advise as to the location of your accounting records, please also advise the date on or before which you contemplate that the final accounting, and final Engineering and Geologic Report will be forwarded.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, GME
Field Team, Region III

JWT:ltm

cc: Chem. Op. Comm. (2)
Harshman
Marshall, GME/DFC
Corres. File
Cooper
Chron.

EXTRA COPY O. M. E. RECEIVED AUG 7 1959		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

July 28, 1959

Memorandum

To: E. A. Christensen

From: Executive Officer, OGC Field Team, Region III

Subject: Contract No. [illegible] (Tin, Columbian-Tantalum, Tungsten)
Contract No. [illegible], Northwest Indiana Minerals, Inc.,
(Custer Mining District) Fremont County, South Dakota -
FINAL DETERMINATION OF ACCOUNT

The subject Operator did not render a final report as required by the contract; therefore, the account is to be closed on the following basis which is in accordance with contract instructions from the Washington Office, OGC, and in accordance with Report of Review of reported project costs by the Contract Administration and Audit Division, OGC, dated July 13, 1959:

Basis for Closing the Account

Total Accepted Costs		$32,384.34
Payment to the Operator	$23,267.69	
Direct Payments by the Government to Independent Contractors	5,878.22	
Total Government participation at 50 percent		$29,145.91

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWTilton

cc: Chron. Op. Chron. (2)
MP-16A File, Reg. III
Mather
OGC/DPC
Operat. File, Reg. III
Reg. File
Chron.

No Payment Due
JB 7/31/59

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

Memorandum

To: Executive Officer, OME Field Team, Region III

From: ACTING Chairman, Operating Committee

Subject: Docket No. DMA-654
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-158

This is with reference to your letter of June 10 to the Operator and our memorandum to you of May 22, 1959, regarding the subject Operator's final engineering and geological report. If you do not receive this report on or before July 10, 1959, do not allow any additional time to render the report and take the action outlined in your letter to the Operator of May 7, 1959.

W. S. Martin

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

EXTRA COPY
O. M. E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE

EXTRA COPY
O. M. E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE

[illegible]

Original signed by
J. W. TOWNSEND

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

OMEX
DEPARTMENT OF THE INTERIOR
MAY 25 1959
REGION III
DENVER, COLORADO

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

We approve your recommendation of May 7 to withhold the unpaid balance of funds due the Operator for its estimated share of the cost to prepare a final engineering and geological report. However, in view of your letter to the Operator of May 7, the matter should be held in abeyance until after June 10 and then take action as stated in your letter.

George C. Selfridge

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

224 New Customhouse
Denver 2, Colorado
May 7, 1959

REGISTERED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D 1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to our letter of March 20, 1959, and to our previous correspondence, relative to your furnishing to the Government a final engineering and geologic report and final accounting report, as required under Articles 14 and 17 of the captioned contract.

We wish to cooperate fully with you in allowing ample time for submission of the reports, but if they have not been received by June 10, 1959, we will then consider that you do not intend to submit them. In this case, the estimated cost of the final engineering and geologic report will be charged against the amount being withheld from reimbursement to you, and any remaining balance will be paid upon final settlement of the account.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. File, Reg. III
Cooper
Chron

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 13 1958 DMEA

OPERATOR'S MONTHLY REPORT AND VOUCHER

Processing and Analysis of Samples

~~Monthofx~~ ~~xxxxxxxx~~ Docket No. DMEA 654 Contract No. Idm-250

Operator's Name Northwest Defense Minerals, Inc.,

Address Belmont Plaza, Room 1011, Lexington Ave., at 49th New York 22, N. Y.

Minerals Tin, Columbium-Tantalum, Tungsten

Contract Amount, $ Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0.00	1742.50	1742.50			
Bulldozing						
Crosscutting						
Drifting						
Test Pits	0.00	737.50	737.50			
(2) Labor and Supervision:						
Labor						
Supervision	0.00	2525.00	2525.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil	0.00	208.85	208.85			
Travel Expenses	0.00	308.92	308.92			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	1125.63	338.00	1463.63			
Payroll Taxes						
Liability Insurance						
Processing Churn drill samples	4172.85	0.00	4172.85			
(8) Contingencies (specify):						
Trans. of Samples	0.00	579.74	579.74			
Other	0.00	1141.35	1141.35			
TOTALS	5298.48	8416.84	13,715.32	5298.48	8416.84	13,715.32

I certify that the above bill is correct and just and that payment therefor has not been received.

~~Date~~ ~~Name~~

~~Name~~ ~~Title~~

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$5298.48

Signature (Authorized Certifying Officer)

Date 11/25/58 Voucher No. 59-59

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
NOV 13 1958
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Processing and Analysis of Samples

~~Marthak~~ ~~195xxx~~ Docket No. DMEA 654x Contract No. Idm-50

Operator's Name Northwest Defense Minerals, Inc.

Address Belmont Plaza, Room 1011, Lexington Ave., at 49th St., New York 22, New York

Minerals Tin, Columbium-Tantalum, Tungsten

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
~~Drilling~~ Churn Drill.	ft.			1742.50	348.5	5.00		
~~Construction~~ Test Pits	ft.			787.50	31.5	25.00		
~~Basing~~ Supervision	Day			2525.00	97	50.00		
~~Shafts~~ Travel Exp.				308.92				
~~Camp~~ Meals & Qtrs.				734.93	231	3.52		
~~Drilling~~ Gas + Oil				208.85				
~~Chem~~ Analyses	Spl.	125.63*	39	1463.69	45	32.53		
Trans ~~Assy~~ of Spls.				370.74				
~~Sampling~~ Processing Churn								
~~Diamond~~ Drill Spls.		4172.85*	36	4172.85	36	115.91		
~~Test Pits~~ Contingencies				1141.95				
~~Roads and Trails~~								
Total Distributed Costs		5298.48*		13,715.32				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5298.48*		13,715.32				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

PREPARED AS MATTER OF CLARIFICATION

~~Date~~ ~~Operator~~

~~By~~ ~~Title~~

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS: *Includes deduction of one percent discount for payment within 10 days. Payment is to be made directly to Denver Equipment Company for full amount of $5298.40. Of the amount, 90 percent is to be charged as Government contribution, and the remaining 10 percent held in suspense as a reimbursable item from the Operator to be deducted from moneys presently held in suspense on final settlement of the account.

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

MADE NOV 10 1958

EXTRA COPY OC M. E. RECEIVED NOV 13 1958		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
November 5, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMRA 654X (Tin, Columbium-Tantalum, Tungsten) Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota

Enclosed for purpose of clarification are the original and four copies of Forms MF-104 and MF-104A, which have been prepared to reflect the costs of processing and analyzing 36 churn drill samples, and analyzing test pit concentrates from 3 test pits. Also enclosed are four copies each of three bids from qualified independent laboratories, and a Statement and Certificate of Award to the lowest bidder, Denver Equipment Company. The original of the above supporting data, and the original invoice from Denver Equipment Company have been submitted separately to the Finance Office, Region III.

The obligation was incurred in accordance with items 2 through 6 of the Termination Agreement, dated August 15, 1958, which provides for processing and analyzing the samples, and payment of the necessary costs from any funds allotted to the project which have not been expended. Payment is to be made directly to Denver Equipment Company for the full amount of $5248.48, which reflects a discount of one percent for payment within 10 days from the invoice date. Of this amount, 90 percent is to be charged as Government contribution, and the remaining 10 percent held in suspense as a reimbursable item from the Operator, to be deducted from moneys due the Operator, presently held in suspense, on final settlement of the account.

Following is a recapitulation of the status of project costs to date, with exception of costs incurred for transportation, processing, and analysis of samples.

Acceptable cost to date, Phase I	$19,000.00
Acceptable cost to date, Phase II	7,837.10
Total acceptable cost, excepting transportation, processing and analysis of samples	$26,837.10

Government participation at 90 percent ---------- $24,153.39
Total reimbursement to Operator to date ---------- 23,267.69
Balance withheld pending final settlement ---------- $ 885.70

The above amount withheld is reconciled, as follows:

Government's portion of acceptable cost for 6½ feet of test pit sinking previously disallowed, but which is now acceptable	140.62	
Amount withheld in processing voucher for November 1955, and April 1956	100.00	
Amount withheld in processing voucher for October 4, through November 3, 1956	645.08	
Total Amount Withheld		$ 885.70

The amount withheld will be offset by 10 percent of the cost of transportation, processing, and analysis of samples, as follows:

Transportation of samples from project site to Denver Federal Center, payment made to Buckingham Transportation, Inc.,	537.24	
Transportation of samples from Denver Federal Center to Denver Equipment Company, payment made to Bekins Van and Storage Company	42.50	
Processing and analyzing 36 churn drill samples, and analyzing 3 samples of concentrated material from test pits, payment to be made to Denver Equipment Company	5,298.48	
Total	5,878.22	
Operator's pro rata share at 10 percent		587.82 ✓
Excess withheld above incurred expenses		$ 297.88 ✓

Project costs may be augmented by additional allowable costs incurred by the Operator in conjunction with preparation of the required final report. Final settlement will be deferred pending receipt of the Operator's final report, and release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs by the Contract Administration and Audit Division, GMR.

JBC:hmh

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures
cc: Chem. Op. Comm. (2)
Marshall, GMR/NPC
NF-104 file, Reg. III
Harshman
Gooper
Chren

Standard Form No. 1036—Revised
Form prescribed by
Comptroller General, U. S.
September 18, 1950
(Gen. Reg. No. 51, Supp. No. 12)

STATEMENT AND CERTIFICATE OF AWARD

No. 14-09-030-578 (Contract)

Date August 28, 1958

Department of Interior (Department or establishment) — Bureau of Mines (Bureau or office) — 224 New Customhouse, Denver, Colorado (Location)

FOR USE BY G. A. O. ONLY			
Indexed	Card	Reviewed	Date

14-09-030-578

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. By advertising in newspapers. Yes ☐ No ☒
2. (*a*) By advertising in circular letters sent to 4 dealers.
   (*b*) And by notices posted in public places. Yes ☒ No ☐

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

Without advertising in accordance with _____

(Cite law pursuant to which contract was negotiated and the applicable section and paragraph thereof. If contract was negotiated under a public exigency which would not admit of the delay incident to advertising, or because of it being impracticable to secure competition, state below or on the reverse hereof, the circumstances requiring negotiation.)

AWARD OF CONTRACT

	Yes	No
A. To lowest bidder as to price (Expenditures)	☒	☐
B. To highest bidder as to price (Receipts)	☐	☐

CERTIFICATE

I CERTIFY that the foregoing statement is true and correct; that the written findings required by law to be submitted with the contract in case of negotiation, upon a determination by the agency head or other authorized official that such method of contracting is necessary, are attached thereto; that the total number of bids received is 4, and that where lower bids (expenditure contracts) or higher bids (receipt contracts) as to price were received, a statement of reasons for their rejection, together with an abstract of bids received, including all lower than that accepted in case of expenditure contracts and all higher in case of receipt contracts, is given below or on the reverse hereof or on a separate sheet attached hereto; that the articles or services covered by the agreement (expenditure) are necessary for the public service; and that the prices charged are just and reasonable.

Bidders	Item 1	Item 2	Item 3	Total	Terms
Denver Equipment Company	4215.00	1051.00	86.00	5352.00	1% 10 da
Humphreys Engineering Company	6490.00	874.00	104.50	7468.50	Net
Colorado School of Mines	10000.00	4600.00	400.00	15000.00	Net
Stearns-Rogers		NO BID			

Successful Bidder: Denver Equipment Company
1400 17th Street
Denver 17, Colorado

FOB Point, Bldg. 20, Denver Federal Center, Denver, Colorado
Government to defray transportation charges

R. E. Babcock — Regional Property Management Officer (Title)

NOTE.—This statement and certificate will be used to support all agreements, both formal contracts and less formal agreements of whatever character, involving the expenditure or receipt of public funds. It must be executed and signed by the contracting officer (unless the award is made by or is subject to approval by an officer other than the contracting officer, when execution and signature may be made by such officer).

U. S. GOVERNMENT PRINTING OFFICE 16—62733-1

Standard Form 33 (Oct. 1957 Edition)
Prescribed by General Services Administration
Regulation 1-II-209.00

INVITATION, BID, AND AWARD
(SUPPLY CONTRACT)

CONTRACT NO. 14-09-030-578
ORDER NO. (If any) DER-59-61

PAGE NO. 1 | NUMBER OF PAGES

ISSUED BY
Department of the Interior
Bureau of Mines, Region III

ADDRESS
224 New Customhouse
Denver, Colorado

578

INVITATION FOR BIDS

DATE ISSUED August 15, 1958 | INVITATION NO. DER-59-5

Sealed bids in quintuplicate, subject to (1) the Terms and Conditions of the Invitation for Bids, (2) the accompanying Schedule, (3) General Provisions (Standard Form 32, October 1957 edition), which are incorporated herein by reference, and (4) such other contract provisions and specifications as are attached or incorporated by reference in the Schedule, will be received at the above office until 2:00 o'clock p.m., MST Time, August 27, 1958 (*date*) and at that time publicly opened, for furnishing the supplies or services described in the accompanying Schedule, for delivery f. o. b. DMEA, Executive Officer, 224 New Customhouse, Denver 2, Colorado

General information and instructions to bidders are contained in the terms and conditions on the reverse hereof.

SCHEDULE

ITEM NO.	SUPPLIES OR SERVICES	QUANTITY (No. of units)	UNIT	UNIT PRICE	AMOUNT
1	Concentration of 36 samples				
2	Analysis of 36 concentrate samples				
3	Analysis of 3 concentrate samples				
	For details see "Continuation Sheet" and "Specifications" attached. Attached special terms and conditions of the invitation for bids are hereby made part of the contract.				

BID

DATE OF BID August 25, 1958

In compliance with the above, the undersigned offers and agrees, if this Bid be accepted within 60 calendar days (*60 calendar days unless a different period be inserted by the bidder*) from the date of opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the designated point(s) within the time specified in the Schedule. Discounts will be allowed for prompt payment as follows: one percent, 10 calendar days; 0 percent, 20 calendar days; 0 percent, 30 calendar days.

BIDDER REPRESENTS: (*Check appropriate boxes*)

(1) That he ☒ is, ☐ is not, a small business concern. (*See definition on reverse hereof.*) If bidder is a small business concern and is not the manufacturer of the supplies bid upon, he also represents that all supplies to be furnished hereunder ☒ will, ☐ will not, be manufactured or produced by a small business concern in the United States, its Territories, its possessions, or the Commonwealth of Puerto Rico.

(2) That he is a ☐ regular dealer in ☒ manufacturer of, the supplies bid upon.

(3) (*a*) That he ☐ has, ☒ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the bidder) to solicit or secure this contract, and (b) that he ☐ has ☒ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (*a*) and (*b*) above as requested by the Contracting Officer.
(*For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 44, Part 150.*)

(4) He operates as an ☐ individual, ☐ partnership, ☒ corporation, incorporated in the State of Colorado

NAME AND ADDRESS OF BIDDER (*Street, city, zone, and State. Type or print*)
Denver Equipment Company
1400 17th Street
Denver 17, Colorado

SIGNATURE OF PERSON AUTHORIZED TO SIGN BID
/s/ C. A. Richardson

TYPE OR PRINT SIGNER'S NAME AND TITLE
C. A. Richardson
Domestic Sales Division

AWARD

DATE OF AWARD August 28, 1958

ACCEPTED AS TO ITEMS NUMBERED 1, 2 & 3

AMOUNT $ 5352.00

UNITED STATES OF AMERICA
BY R. Bakeork
Contracting Officer.

SUBMIT INVOICE FOR PAYMENT TO
Bureau of Mines
224 New Customhouse
Denver, Colorado

ACCOUNTING AND APPROPRIATION DATA
14X4401(09)

PAYMENT WILL BE MADE BY
Government Check

Award will be made on this Form, or on Standard Form 26, or by other official written notice.

16—60682-4

TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

1. PREPARATION OF BIDS.—(*a*) Bidders are expected to examine the drawings, specifications, Schedule, and all instructions. Failure to do so will be at the bidder's risk.

(*b*) Each bidder shall furnish the information required by the bid form. The bidder shall print or type his name on the Schedule and each Continuation Sheet thereof on which he makes an entry. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent must be accompanied by evidence of his authority.

(*c*) Unit price for each unit bid on shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the Amount column of the Schedule for each item bid on. In case of error in extension of price, the unit price will govern.

(*d*) Alternate bids will not be considered unless authorized by the Invitation.

(*e*) When not otherwise specified, bidder must definitely state time of proposed delivery.

(*f*) Time, if stated as a number of days, will include Sundays and holidays.

2. SUBMISSION OF BIDS.—(*a*) Bids and modifications thereof shall be enclosed in sealed envelopes addressed to the issuing office, with the name and address of the bidder, the date and hour of opening, and the invitation number on the face of the envelope. Telegraphic bids will not be considered unless authorized by the Invitation; however, bids may be modified by telegraphic notice provided such notice is received prior to the time set for the opening of the bids.

(*b*) Samples of items, when required, must be submitted within the time specified, and unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Invitation.

(*c*) In the event no bid is to be submitted, do not return the Invitation unless otherwise specified. However, a letter or post card should be sent to the issuing office advising whether future Invitations for the type of supplies or services covered by this Invitation are desired.

3. WITHDRAWAL OF BIDS.—Bids may be withdrawn by written or telegraphic notice (see 4 below).

4. LATE BIDS.—Bids and modifications or withdrawals thereof received after the time set for opening will not be considered, unless they are received before the award is made, and it is determined by the Government that failure to arrive on time was due solely to delay in the mails for which the bidder was not responsible.

5. GOVERNMENT-FURNISHED PROPERTY.—No material, labor, or facilities will be furnished by the Government unless otherwise provided for in the Invitation.

6. LABOR INFORMATION.—Attention is invited to the possibility that wage determinations may have been made under the Walsh-Healey Public Contracts Act providing minimum wages for employees engaged in the manufacture for sale to the Government of the supplies covered by this Invitation for Bids. Information in this connection, as well as general information as to the requirements of the Act concerning overtime payment, child labor, safety and health provisions, etc., may be obtained from the Wage and Hour and Public Contracts Divisions, Department of Labor, Washington 25, D. C. Requests for information should state the Invitation number, the issuing agency and the supplies covered.

7. DISCOUNTS.—(*a*) Prompt-payment discounts will be included in the evaluation of bids, provided the period of the offered discount is sufficient to permit payment within such period in the regular course of business under the delivery, inspection, and payment provisions of the Invitation and Bid.

(*b*) In connection with any discount offered, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point of origin, or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher is received in the office specified by the Government if the latter date is later than the date of delivery. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing of the Government check.

8. AWARD OF CONTRACT.—(*a*) The contract will be awarded to that responsible bidder whose bid, conforming to the Invitation for Bids, will be most advantageous to the Government, price and other factors considered.

(*b*) The Government reserves the right to reject any or all bids and to waive informalities and minor irregularities in bids received.

(*c*) The Government may accept any item or group of items of any bid, unless the bidder qualifies his bid by specific limitations. UNLESS OTHERWISE PROVIDED IN THE SCHEDULE, BIDS MAY BE SUBMITTED FOR ANY QUANTITIES LESS THAN THOSE SPECIFIED; AND THE GOVERNMENT RESERVES THE RIGHT TO MAKE AN AWARD ON ANY ITEM FOR A QUANTITY LESS THAN THE QUANTITY BID UPON AT THE UNIT PRICES OFFERED UNLESS THE BIDDER SPECIFIES OTHERWISE IN HIS BID.

(*d*) A written award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid shall be deemed to result in a binding contract without further action by either party.

9. SELLER'S INVOICES.—Invoices shall be prepared and submitted in quadruplicate unless otherwise specified. Invoices shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

10. DEFINITION OF SMALL BUSINESS.—Generally, a small business concern for the purpose of Government procurement is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by Small Business Administration. (*See Code of Federal Regulations, Title 13, Part 103, as amended, which contains the detailed definition and related procedures.*)

☆ U. S. GOVERNMENT PRINTING OFFICE : 1957 O—448020

ADDENDA NO. 1 TO

INVITATION TO BID NER-59-5

ON PAGE 2 OF THE SPECIFICATIONS READING AS FOLLOWS:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
*Bear Creek	1	0 - 7 Ft.	4.309.

*Line number 3, Bear Creek, pit number 1, should read pit number 2. Sample interval and cubic yard figures remain the same. Please correct your copy of the Invitation to Bid in accordance with this addenda.

CONTINUATION SHEET

Bids will be considered under the following schedule. NO BID will be considered for only part of the schedule.

Item No.	Supplies or Services	Unit	Unit Price
1	Concentration of 36 samples of churn drill hole material	Job	$4215.00
2	(a) Analyze 1/4 split of concentrate from each of above 36 samples for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report of the processing, including results of the analyses	Job	$1051.00
3	(a) Analyze 3 samples of previously concentrated material from test pits for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report giving results of the analyses	Job	$86.00
		TOTAL	$5352.00

Specifications pertaining to the foregoing items 1, 2, and 3 are attached hereto and made a part of this Invitation to Bid.

SPECIFICATIONS

Item 1. - The sample material to be concentrated is from 18 churn drill holes, drilled through placer deposits in the Beaver Creek and Bear Creek Areas. The material, aggregating approximately 2-1/2 cubic yards, is in metal containers and each container is labeled with the Area, drill hole number, and sample interval. Many of the metal containers are not full and some contain considerable water. It will be necessary that the net volume of each sample be determined in advance of processing, as assay results are to be computed on the basis of cubic yard of material. See Exhibit "A", Schedule of Churn Drill Hole Samples, attached hereto, for listing of samples to be concentrated; and see Exhibit "B", Flow Sheet for Concentrating Churn Drill Hole Sample Material, attached hereto, for method of concentrating the samples.

Referring to Exhibit "A", Beaver Creek Area, the material from sample intervals 0-6 feet and 6-12 feet will be combined into a composite sample for concentration purpose. The material from the sample interval from 12 feet to bottom of hole will be concentrated as a separate sample. In the Bear Creek Area, sample material for separate concentration will be for the intervals of 0-6 feet and 6-12 feet.

Item 2. - The concentrates from each of the 36 samples, concentrated under Item 1, will be split into two equal portions; one portion of which is to be placed in a suitable container and reserved for subsequent use by the Government, each container to be properly labeled with the words, "Government," and the "Area," "Hole Number," and "Sample Interval" given. The other half of each concentrate split will be resplit two ways; one half will be placed in a suitable covered container labeled with the words, "Operator," and the "Area," "Hole Number," and "Sample Interval" given. The remaining one-fourth of the concentrates is to be used for analysis to obtain content of tin, columbium-tantalum, tungsten, and gold.

The report of the concentration and analyses must be submitted in triplicate and shall contain, in tabular form, the following information for each sample: Area, hole number, sample interval, volume of sample before concentration, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

Item 3. - The samples of concentrates to be analyzed are a one-half split of that derived from the beneficiation of placer gravel obtained from test pits. The samples are in canvas bags and are

labeled as follows, with applicable yardage of the original sample from which the concentrates were derived:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
Bear Creek	X2	0 - 7 Ft.	4.309.

The report of the results of analyses must be submitted in triplicate and shall contain in tabular form the following information for each sample: Area, pit number, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

General -

1. The project as heretofore outlined shall be identified as Docket No. DMEA 654, Contract No. Idm-E58. The report of analysis results shall be addressed to the Executive Officer, DMEA Field Team, Region III, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado.

2. The work outlined under items 1, 2, and 3 above shall be completed so that the required report, in triplicate, will be forwarded, together with the "Government's" and "Operator's" splits of concentrates, so as to reach the above destination within ninety (90) calendar days from the date the confirming purchase order and the sample material were received by the successful bidder.

3. The material under items 1 and 3 is available for prebid inspection at the Denver Federal Center, and inspection can be arranged through John F. Shaw, Bureau of Mines, Building 20, Denver Federal Center, during the hours of 8:30 a.m. to 4:00 p.m. Monday through Friday.

4.* Bidder will designate location of its laboratory to which the material will be delivered by the Government. Costs of transporting the material from the Denver Federal Center to the bidder's laboratory will be considered in making the award.

*The material will be delivered to the successful bidder as soon as possible after award has been made.

Exhibit "A"

Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
1	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
2	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	4	12-19	12-19
3	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
4	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-19	12-19
5	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
6	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
7	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
8	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-17	12-17

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

14-09-030-578

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-17	12-17

BEAR CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
1	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	15 gal. drum	2	6-12	6-12
2	55 gal. drum	1	0-6	
	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	40 gal. drum	1	6-12	6-12
3	15 gal. drum	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
4	15 gal. drum	1	0-6	0-6
	35 lb. can	2	6-12	6-12
5	35 lb. can	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
6	55 gal. drum	1	0-6	0-6
	40 gal. drum	1	6-12	6-12
7	15 gal. drum	2	0-6	0-6
	15 gal. drum	1	6-12	
	50 lb. can	1	6-12	6-12
8	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAR CREEK AREA

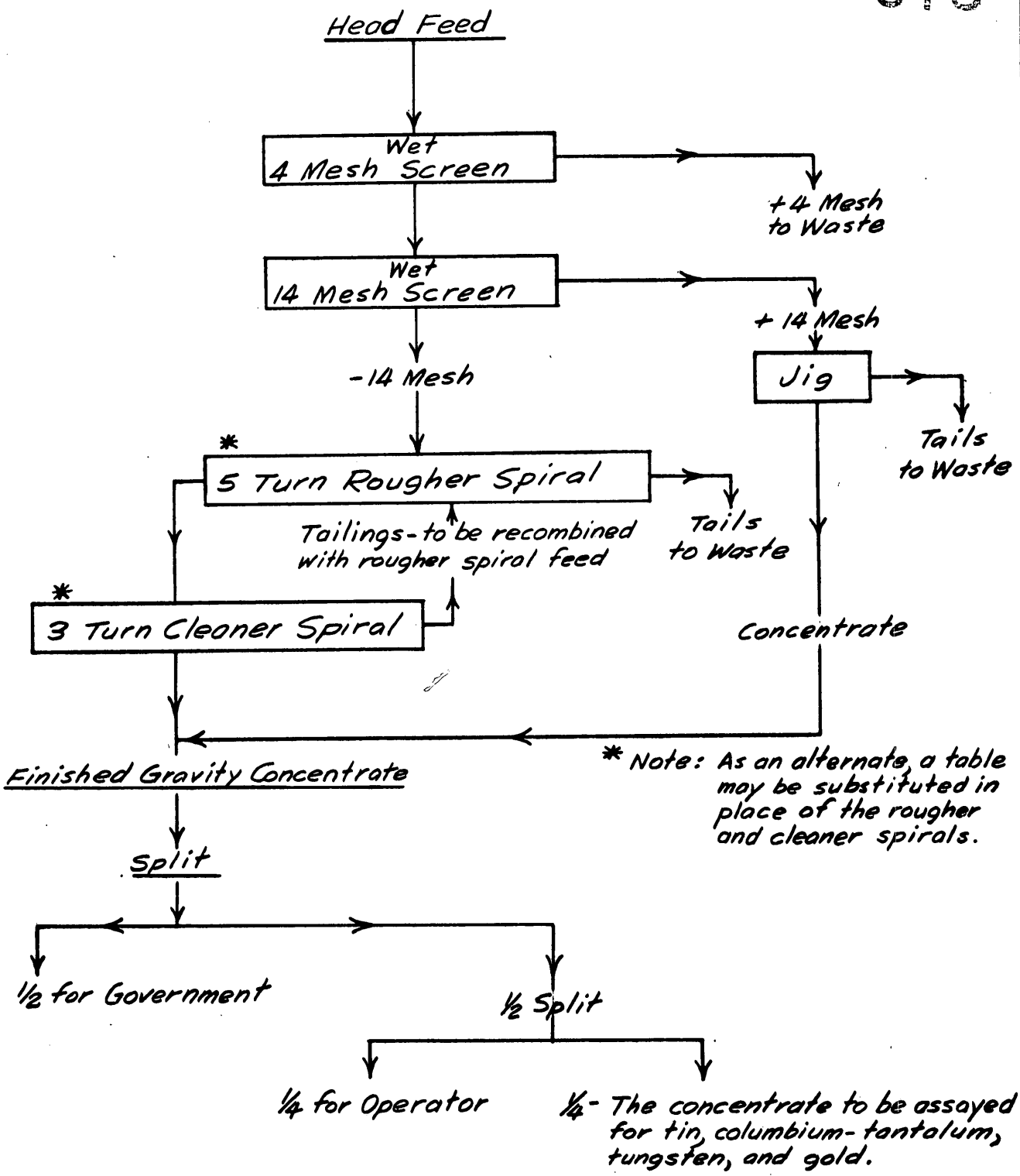
Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

EXHIBIT "B"

FLOW SHEET FOR CONCENTRATING CHURN DRILL HOLE SAMPLE MATERIAL

-09-030-

578



Standard Form 32, Oct. 1957 Edition
Prescribed by General Services
Administration Regulation I-II-209.00

GENERAL PROVISIONS

(Supply Contract)

578

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

(*a*) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(*b*) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(*c*) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. CHANGES

The Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in any one or more of the following: (i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change: *Provided, however,* That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. EXTRAS

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor have been authorized in writing by the Contracting Officer.

4. VARIATION IN QUANTITY

No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this contract.

5. INSPECTION

(*a*) All supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) shall be subject to inspection and test by the Government, to the extent practicable at all times and places including the period of manufacture, and in any event prior to acceptance.

(*b*) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the Government shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by the Contracting Officer, corrected in place by and at the expense of the Contractor promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the Contractor fails promptly to remove such supplies or lots of supplies which are required to be removed, or promptly to replace or correct such supplies or lots of supplies, the Government either (i) may by contract or otherwise replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby, or (ii) may terminate this contract for default as provided in the clause of this contract entitled "Default." Unless the Contractor corrects or replaces such supplies within the delivery schedule, the Contracting Officer may require the delivery of such supplies at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*c*) If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. If Government inspection or test is made at a point other than the premises of the Contractor or a subcontractor, it shall be at the expense of the Government except as otherwise provided in this contract: *Provided,* That in case of rejection the Government shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by the Government shall be performed in such a manner as not to unduly delay the work. The Government reserves the right to charge to the Contractor any additional cost of Government inspection and test when supplies are not ready at the time such inspection and test is requested by the Contractor or when reinspection or retest is necessitated by prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the Contractor from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the Government therefor.

(*d*) The inspection and test by the Government of any supplies or lots thereof does not relieve the Contractor from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Except as otherwise provided in this

contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

(*e*) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies hereunder. Records of all inspection work by the Contractor shall be kept complete and available to the Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

6. Responsibility for Supplies

Except as otherwise provided in this contract, (i) the Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; (ii) after delivery to the Government at the designated point and prior to acceptance by the Government or rejection and giving notice thereof by the Government, the Government shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction, or damage results from the negligence of officers, agents, or employees of the Government acting within the scope of their employment; and (iii) the Contractor shall bear all risks as to rejected supplies after notice of rejection, except that the Government shall be responsible for the loss, or destruction of, or damage to the supplies only if such loss, destruction or damage results from the gross negligence of officers, agents, or employees of the Government acting within the scope of their employment.

7. Payments

The Contractor shall be paid, upon the submission of proper invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either $1,000 or 50 percent of the total amount of this contract.

8. Assignment of Claims

(*a*) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U. S. Code 203, 41 U. S. Code 15), if this contract provides for payments aggregating $1,000 or more, claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off. (*The preceding sentence applies only if this contract is with the Department of Defense, the General Services Administration, the Atomic Energy Commission, or any other department or agency of the United States designated by the President pursuant to clause 4 of the proviso of section 1 of the Assignment of Claims Act of 1940, as amended by the Act of May 15, 1951, 65 Stat. 41.*)

(*b*) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same: *Provided*, That a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

9. Additional Bond Security

If any surety upon any bond furnished in connection with this contract becomes unacceptable to the Government, or if any such surety fails to furnish reports as to his financial condition from time to time as requested by the Government, the Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the Government and of persons supplying labor or materials in the prosecution of the work contemplated by this contract.

10. Examination of Records

(The following clause is applicable if the amount of this contract exceeds $1,000 and was entered into by means of negotiation, but is not applicable if this contract was entered into by means of formal advertising.)

(*a*) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(*b*) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding $1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

11. Default

(*a*) The Government may, subject to the provisions of paragraph (*c*) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(*b*) In the event the Government terminates this contract in whole or in part as provided in paragraph (*a*) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem

appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services: *Provided*, That the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(*c*) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(*d*) If this contract is terminated as provided in paragraph (*a*) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*e*) If, after notice of termination of this contract under the provisions of paragraph (*a*) of this clause, it is determined that the failure to perform this contract is due to causes beyond the control and without the fault or negligence of the Contractor or subcontractor pursuant to the provisions of paragraph (*c*) of this clause, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination for Convenience of the Government," and the rights and obligations of the parties hereto shall in such event be governed by such clause. (*Except as otherwise provided in this contract, this paragraph (e) applies only if this contract contains such clause.*)

(*f*) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

12. Disputes

(*a*) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(*b*) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (*a*) above: *Provided*, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

13. Notice and Assistance Regarding Patent Infringement

The provisions of this clause shall be applicable only if the amount of this contract exceeds $5,000.

(*a*) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent infringement based on the performance of this contract of which the Contractor has knowledge.

(*b*) In the event of litigation against the Government on account of any claim of patent infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or service performed hereunder, the Contractor shall furnish to the Government, upon request, all evidence and information in possession of the Contractor pertaining to such litigation. Such evidence and information shall be furnished at the expense of the Government except in those cases in which the Contractor has agreed to indemnify the Government against the claim being asserted.

14. Buy American Act

(*a*) In acquiring end products, the Buy American Act (41 U. S. Code 10 a–d) provides that the Government give preference to domestic source end products. For the purpose of this clause:

(i) "components" means those articles, materials, and supplies, which are directly incorporated in the end products;

(ii) "end products" means those articles, materials, and supplies, which are to be acquired under this contract for public use; and

(iii) a "domestic source end product" means (A) an unmanufactured end product which has been mined or

produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. For the purposes of this (*a*) (iii) (B), components of foreign origin of the same type or kind as the products referred to in (*b*) (ii) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(*b*) The Contractor agrees that there will be delivered under this contract only domestic source end products, except end products:

(i) which are for use outside the United States;

(ii) which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) as to which the Secretary determines the domestic preference to be inconsistent with the public interest; or

(iv) as to which the Secretary determines the cost to the Government to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No. 10582, dated December 17, 1954.)

15. Convict Labor

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

16. Eight-Hour Law of 1912—Overtime Compensation

This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324–326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35–45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

17. Walsh-Healey Public Contracts Act

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed $10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U. S. Code 35–45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

18. Nondiscrimination in Employment

(*a*) In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of the nondiscrimination clause.

(*b*) The Contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

19. Officials Not To Benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

20. Covenant Against Contingent Fees

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

21. Utilization of Small Business Concerns

(*a*) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(*b*) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

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DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

578

SPECIAL TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

Article 11. Standard Form 32, General Provisions (Supply Contract) prescribed by the General Services Administration, October 1957 edition, is incorporated herein by reference and made a part hereof and receipt of the form is hereby acknowledged. (A copy of Standard Form 32 is obtainable upon request.)

Article 12. Patents. The Contractor shall hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any patented or unpatented invention, article, process, appliance or apparatus manufactured or used by the Contractor in performance of this contract, including its subsequent use or disposal by or for the Government. Any patented invention, the use of which by this contract is required or permitted in the alternative to be used and which the United States has the right to use royalty free, shall be available to the Contractor without the payment of the royalty.

Article 13. Delivery. Time of delivery is important, and complete delivery at the specified destination is desired within the number of calendar days after date of receipt by the contractor of notice of award of contract as indicated on the face of Standard Form 33.

Bidders are required to state, in the space provided on the face of Standard Form 33, a definite period of time within which shipment will be made, and the time so stated, if in excess of the time desired, may be considered in making award of contract. If the bidder fails to insert the number of days in which shipment will be made, the bid will be considered upon the basis that shipment will be made within the desired period, and the bidder agrees to accept award on that basis.

Article 14. Comparison of bids. Whenever applicable, equalizing elements or factors not specifically mentioned or provided for herein, such as the cost of transportation, of installation, of inspection (including salaries, travel, and subsistence expenses), or of any other element or factor in addition to that of price which would affect the final cost to the Government, may be taken into consideration in making award of contract.

Article 15. Protests. If the contractor considers any work demanded of him to be outside of the requirements of the contract, or considers any record or ruling of the contracting officer or of the inspectors to be unfair, he shall immediately upon such work being demanded or such record or ruling being made, ask, in writing, for written instructions or decision, and upon receipt of such written instructions or decision, he shall proceed without delay to perform

to perform because of excusable delays, notify the contracting officer in writing of the cause of any such delay, within 30 days from the beginning thereof, or within such further period as the contracting officer shall, prior to the date of final settlement of the contract, grant for the giving of such notice. As soon as practicable after receipt of the contractor's notice of delay, the contracting officer shall ascertain the facts and extent of the delay, and extend the time for making delivery when in his judgment the findings of fact justify such an extension, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal, within 30 days, by the contractor to the Secretary or his duly authorized representative, under the Disputes Clause of this contract."

Article 19. Extras. The contractor shall, when ordered in writing by the contracting officer, perform extra work and furnish extra material, not required by the invitation or included in the schedule, but forming an inseparable part of the work contracted for. Extra work and material will ordinarily be paid for at the lump-sum or unit price stated in the order. Whenever, in the judgment of the contracting officer, it is impracticable, because of the nature of the work or for any other reason to otherwise fix the price in the order, the extra work and material shall be paid for at the actual necessary cost as determined by the contracting officer, plus an allowance, not to exceed 15 per cent of such actual necessary cost of the extra work and materials, for superintendence, general expense, and profit. The actual necessary cost will include all reasonable expenditures for material, labor (including compensation insurance and social security taxes), and supplies furnished by the contractor, and a reasonable allowance for the use of his plant and equipment, where required, but will in no case include any allowance for office expenses, general superintendence, or other general expenses.

Article 20. Federal, State, and local taxes. (a) As used throughout this paragraph, the term "tax inclusive date" means the date of negotiated contracts and the date set for the opening of bids for contracts entered into through formal advertising. As to additional supplies or services procured by modification to this contract, the term "tax inclusive date" means the date of such modification.

(b) Except as may be otherwise provided in this contract, the contract price includes all Federal, State, and local taxes and duties in effect and applicable to this contract on the tax inclusive date, except taxes (other than Federal transportation taxes) from which the Government, the contractor, or the transactions or property covered by this contract are then exempt. Unless specifically excluded, duties are included in the contract price, and, if freight is included in the contract price, Federal transportation taxes are likewise included.

(c) (1) If the contractor is required to pay or bear the burden (i) of any tax or duty, which either was not to be included in the contract price pursuant to the requirements of paragraph (b), or was specifically excluded from the contract price by a provision of this contract; or (ii) of an increase in rate of any tax or duty, whether or not such tax or duty was excluded from the contract price; or of any interest or penalty thereon, the contract price shall be correspondingly increased: Provided, That the contractor warrants in writing that no amount for such tax, duty or rate increase was included in the contract price as a contingency reserve or otherwise: And provided further, That liability for such tax, duty, rate increase, interest, or penalty was not incurred through the fault or negligence of the contractor or its failure to follow instructions of the contracting officer.

(2) If the contractor is not required to pay or bear the burden, or obtains a refund or drawback, in whole or in part, of any tax, duty, interest, or penalty which (i) was to be included in the contract price pursuant to the requirements of subparagraph (b), (ii) was included in the contract price, or (iii) was the basis of an increase in the contract price, the contract price shall be correspondingly decreased or the amount of such relief, refund, or drawback shall be paid to the Government, as directed by the contracting officer. The contract price also shall be correspondingly decreased if the contractor, through its fault or negligence or its failure to follow instructions of the contracting officer, is required to pay or bear the burden, or does not obtain a refund or drawback of any such tax, duty, interest, or penalty. Interest paid or credited to the contractor incident to a refund of taxes shall inure to the benefit of the Government to the extent that such interest was earned after the contractor was paid or reimbursed by the Government for such taxes.

(3) Invoices or vouchers covering any adjustment of the contract price pursuant to this subparagraph (c) shall set forth the amount thereof as a separate item and shall identify the particular tax involved.

(4) Nothing in this subparagraph (c) shall be applicable to social security taxes; net income taxes; excess profit taxes; capital stock taxes; Federal transportation taxes, except changes in the rate thereof, including repeal, pertaining to shipments from the contractor to the Government; unemployment compensation taxes; or any State and local taxes, except those levied on or measured by the contract or sales price of the services or completed supplies furnished under this contract, including gross income taxes, gross receipts taxes, sales and use taxes, excise taxes, or franchise or occupation taxes measured by sales or receipt from sales.

(5) No adjustment of less than $100 shall be made in the contract price pursuant to this subparagraph.

(d) Unless there does not exist any reasonable basis to sustain an exemption, the Government agrees upon request of the contractor, without

further liability except as otherwise provided in this contract, to furnish evidence appropriate to establish exemption from (i) any Federal tax, which the contractor warrants in writing was excluded from the contract price, or (ii) any State or local tax: Provided, That evidence appropriate to establish exemption from duties will be furnished, and Government bills of lading will be issued, only at the discretion of the contracting officer. In addition, the contracting officer may furnish evidence appropriate to establish exemption from any tax that may, pursuant to this paragraph, give rise to either an increase or decrease in the contract price.

(e) (1) The contractor shall promptly notify the contracting officer of all matters pertaining to Federal, State, and local taxes and duties that reasonably may result in either an increase or decrease in the contract price.

(2) Whenever an increase or decrease in the contract price may be required under this paragraph, the contractor shall take action as directed by the contracting officer, and the contract price shall be equitably adjusted to cover the costs of such action, including any interest, penalty, and reasonable attorney's fees.

NOTE: WHERE TRADE NAMES ARE USED IT IS FOR IDENTIFICATION ONLY.

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FOR ADDITIONAL INFORMATION CONTACT:

R. E. Babcock
Bureau of Mines
Denver, Colorado
Tel.: Keyston 4-4151, Ext. 8303

DRI-59-61
Requisition DREA-3-50

215 New Customhouse, Denver, Colo. August 28, 1958

Priority Special 1A2b4G1(09)

14-09-030-578

Denver Equipment Company
1400 17th Street
Denver 17, Colorado

Bureau of Mines
215 NewCustomhouse
Denver, Colorado

Attn: J. W. Townsend

DRI-59-5 14-09-030-578 90 days 1% 10 days

** Bldg. 20, Federal Center Remit ---- Term

1	Concentration of 36 samples of churn drill hole material (07)	1	job	$215.00	$215.00
2	(a) Analyze 1/4 split of concentrate from each of above 36 samples for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report of the processing, including results of the analyses (07)	1	job	1051.00	1051.00
3	(a) Analyze 3 samples of previously concentrated material from test pits for content of tin, columbium-tantalum, tungsten, and gold. [redacted] analyses (07)	1	job	86.00	86.00

As per attached specifications

[redacted]

5352.00

BROCK

SPECIFICATIONS

Item 1. - The sample material to be concentrated is from 18 churn drill holes, drilled through placer deposits in the Beaver Creek and Bear Creek Areas. The material, aggregating approximately 2-1/2 cubic yards, is in metal containers and each container is labeled with the Area, drill hole number, and sample interval. Many of the metal containers are not full and some contain considerable water. It will be necessary that the net volume of each sample be determined in advance of processing, as assay results are to be computed on the basis of cubic yard of material. See Exhibit "A", Schedule of Churn Drill Hole Samples, attached hereto, for listing of samples to be concentrated; and see Exhibit "B", Flow Sheet for Concentrating Churn Drill Hole Sample Material, attached hereto, for method of concentrating the samples.

Referring to Exhibit "A", Beaver Creek Area, the material from sample intervals 0-6 feet and 6-12 feet will be combined into a composite sample for concentration purpose. The material from the sample interval from 12 feet to bottom of hole will be concentrated as a separate sample. In the Bear Creek Area, sample material for separate concentration will be for the intervals of 0-6 feet and 6-12 feet.

Item 2. - The concentrates from each of the 36 samples, concentrated under Item 1, will be split into two equal portions; one portion of which is to be placed in a suitable container and reserved for subsequent use by the Government, each container to be properly labeled with the words, "Government," and the "Area," "Hole Number," and "Sample Interval" given. The other half of each concentrate split will be resplit two ways; one half will be placed in a suitable covered container labeled with the words, "Operator," and the "Area," "Hole Number," and "Sample Interval" given. The remaining one-fourth of the concentrates is to be used for analysis to obtain content of tin, columbium-tantalum, tungsten, and gold.

The report of the concentration and analyses must be submitted in triplicate and shall contain, in tabular form, the following information for each sample: Area, hole number, sample interval, volume of sample before concentration, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

Item 3. - The samples of concentrates to be analyzed are a one-half split of that derived from the beneficiation of placer gravel obtained from test pits. The samples are in canvas bags and are

labeled as follows, with applicable yardage of the original sample from which the concentrates were derived:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
Bear Creek	X2	0 - 7 Ft.	4.309.

The report of the results of analyses must be submitted in triplicate and shall contain in tabular form the following information for each sample: Area, pit number, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

General - 1. The project as heretofore outlined shall be identified as Docket No. DMEA 654, Contract No. Idm-E58. The report of analysis results shall be addressed to the Executive Officer, DMEA Field Team, Region III, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado.

2. The work outlined under items 1, 2, and 3 above shall be completed so that the required report, in triplicate, will be forwarded, together with the "Government's" and "Operator's" splits of concentrates, so as to reach the above destination within ninety (90) calendar days from the date the confirming purchase order and the sample material were received by the successful bidder.

3. The material under items 1 and 3 is available for prebid inspection at the Denver Federal Center, and inspection can be arranged through John F. Shaw, Bureau of Mines, Building 20, Denver Federal Center, during the hours of 8:30 a.m. to 4:00 p.m. Monday through Friday.

4.* Bidder will designate location of its laboratory to which the material will be delivered by the Government. Costs of transporting the material from the Denver Federal Center to the bidder's laboratory will be considered in making the award.

*The material will be delivered to the successful bidder as soon as possible after award has been made.

Exhibit "A"

Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
1	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
2	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	4	12-19	12-19
3	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
4	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-19	12-19
5	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
6	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
7	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
8	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-17	12-17

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

14-09-030-

578

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-17	12-17

BEAR CREEK AREA

1	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	15 gal. drum	2	6-12	6-12
2	55 gal. drum	1	0-6	
	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	40 gal. drum	1	6-12	6-12
3	15 gal. drum	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
4	15 gal. drum	1	0-6	0-6
	35 lb. can	2	6-12	6-12
5	35 lb. can	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
6	55 gal. drum	1	0-6	0-6
	40 gal. drum	1	6-12	6-12
7	15 gal. drum	2	0-6	0-6
	15 gal. drum	1	6-12	
	50 lb. can	1	6-12	6-12
8	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAR CREEK AREA

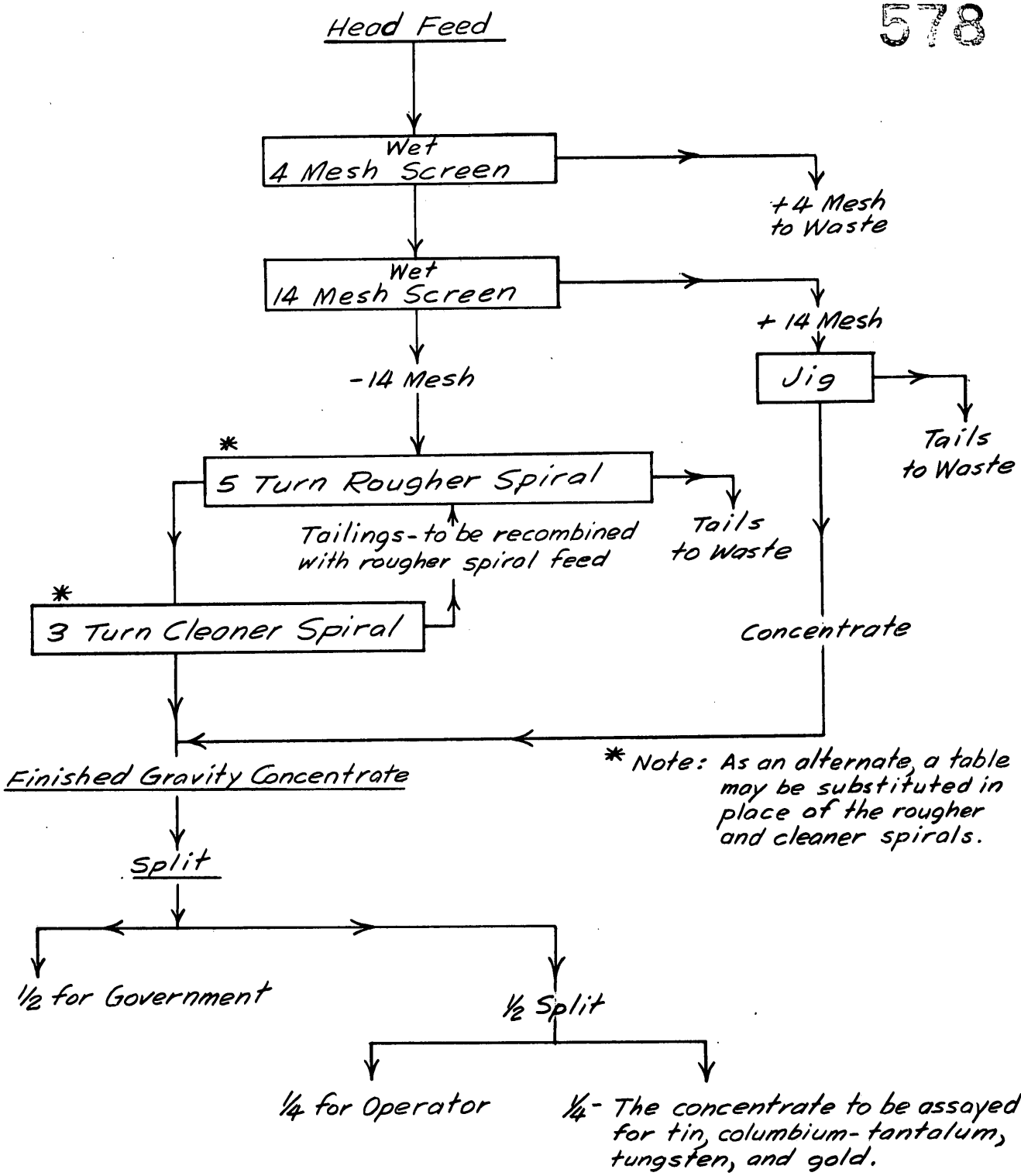
Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

EXHIBIT "B"

FLOW SHEET FOR CONCENTRATING CHURN DRILL HOLE SAMPLE MATERIAL

14-08-030-

578



Rejected Bids

Standard Form 33 (Oct. 1957 Edition)
Prescribed by General Services Administration
Regulation 1-II-209.00

INVITATION, BID, AND AWARD
(SUPPLY CONTRACT)

CONTRACT NO.

ORDER NO. (*If any*)

PAGE NO. 1 | NUMBER OF PAGES

ISSUED BY: Department of the Interior
Bureau of Mines, Region III

ADDRESS: 224 New Customhouse
Denver, Colorado

INVITATION FOR BIDS

DATE ISSUED: August 15, 1958 | INVITATION NO. DER-59-5

Sealed bids in quintuplicate, subject to (1) the Terms and Conditions of the Invitation for Bids, (2) the accompanying Schedule, (3) General Provisions (Standard Form 32, October 1957 edition), which are incorporated herein by reference, and (4) such other contract provisions and specifications as are attached or incorporated by reference in the Schedule, will be received at the above office until 2:00 o'clock P.m., MST Time, August 27, 1958 (*date*) and at that time publicly opened, for furnishing the supplies or services described in the accompanying Schedule, for delivery f. o. b. DMEA, Executive Officer, 224 New Customhouse, Denver 2, Colorado

General information and instructions to bidders are contained in the terms and conditions on the reverse hereof.

SCHEDULE

ITEM NO.	SUPPLIES OR SERVICES	QUANTITY (*No. of units*)	UNIT	UNIT PRICE	AMOUNT
1	Concentration of 36 samples				
2	Analysis of 36 concentrate samples				
3	Analysis of 3 concentrate samples				
	For details see "Continuation Sheet" and "Specifications" attached. Attached special terms and conditions of the invitation for bids are hereby made part of the contract.				

BID

DATE OF BID

In compliance with the above, the undersigned offers and agrees, if this Bid be accepted within 90 calendar days (*60 calendar days unless a different period be inserted by the bidder*) from the date of opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the designated point(s) within the time specified in the Schedule. Discounts will be allowed for prompt payment as follows:

_____ percent, 10 calendar days; _____ percent, 20 calendar days; _____ percent, 30 calendar days.

BIDDER REPRESENTS: (*Check appropriate boxes*)

(1) That he ☒ is, ☐ is not, a small business concern. (*See definition on reverse hereof.*) If bidder is a small business concern and is not the manufacturer of the supplies bid upon, he also represents that all supplies to be furnished hereunder ☐ will, ☐ will not, be manufactured or produced by a small business concern in the United States, its Territories, its possessions, or the Commonwealth of Puerto Rico.

(2) That he is a ☒ regular dealer in, ☐ manufacturer of, the supplies bid upon.

(3) (*a*) That he ☐ has, ☒ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the bidder) to solicit or secure this contract, and (b) that he ☐ has, ☒ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (*a*) and (*b*) above as requested by the Contracting Officer.
(*For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 41, Part 150.*)

(4) He operates as an ☐ individual, ☐ partnership, ☒ corporation, incorporated in the State of COLORADO

NAME AND ADDRESS OF BIDDER (*Street, city, zone, and State. Type or print*)
COLORADO SCHOOL OF MINES
RESEARCH FOUNDATION, INC.
EXPERIMENTAL PLANT BUILDING
GOLDEN, COLORADO

SIGNATURE OF PERSON AUTHORIZED TO SIGN BID
→ W. F. Anderson

TYPE OR PRINT SIGNER'S NAME AND TITLE
W. F. ANDERSON, MANAGER
BUSINESS OPERATIONS

AWARD

DATE OF AWARD

ACCEPTED AS TO ITEMS NUMBERED

AMOUNT $

UNITED STATES OF AMERICA

BY _____
Contracting Officer.

SUBMIT INVOICE FOR PAYMENT TO

ACCOUNTING AND APPROPRIATION DATA

PAYMENT WILL BE MADE BY

Award will be made on this Form, or on Standard Form 26, or by other official written notice.

16—60683-4

TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

1. PREPARATION OF BIDS.—(*a*) Bidders are expected to examine the drawings, specifications, Schedule, and all instructions. Failure to do so will be at the bidder's risk.

(*b*) Each bidder shall furnish the information required by the bid form. The bidder shall print or type his name on the Schedule and each Continuation Sheet thereof on which he makes an entry. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent must be accompanied by evidence of his authority.

(*c*) Unit price for each unit bid on shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the Amount column of the Schedule for each item bid on. In case of error in extension of price, the unit price will govern.

(*d*) Alternate bids will not be considered unless authorized by the Invitation.

(*e*) When not otherwise specified, bidder must definitely state time of proposed delivery.

(*f*) Time, if stated as a number of days, will include Sundays and holidays.

2. SUBMISSION OF BIDS.—(*a*) Bids and modifications thereof shall be enclosed in sealed envelopes addressed to the issuing office, with the name and address of the bidder, the date and hour of opening, and the invitation number on the face of the envelope. Telegraphic bids will not be considered unless authorized by the Invitation; however, bids may be modified by telegraphic notice provided such notice is received prior to the time set for the opening of the bids.

(*b*) Samples of items, when required, must be submitted within the time specified, and unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Invitation.

(*c*) In the event no bid is to be submitted, do not return the Invitation unless otherwise specified. However, a letter or post card should be sent to the issuing office advising whether future Invitations for the type of supplies or services covered by this Invitation are desired.

3. WITHDRAWAL OF BIDS.—Bids may be withdrawn by written or telegraphic notice (see 4 below).

4. LATE BIDS.—Bids and modifications or withdrawals thereof received after the time set for opening will not be considered, unless they are received before the award is made, and it is determined by the Government that failure to arrive on time was due solely to delay in the mails for which the bidder was not responsible.

5. GOVERNMENT-FURNISHED PROPERTY.—No material, labor, or facilities will be furnished by the Government unless otherwise provided for in the Invitation.

6. LABOR INFORMATION.—Attention is invited to the possibility that wage determinations may have been made under the Walsh-Healey Public Contracts Act providing minimum wages for employees engaged in the manufacture for sale to the Government of the supplies covered by this Invitation for Bids. Information in this connection, as well as general information as to the requirements of the Act concerning overtime payment, child labor, safety and health provisions, etc., may be obtained from the Wage and Hour and Public Contracts Divisions, Department of Labor, Washington 25, D. C. Requests for information should state the Invitation number, the issuing agency and the supplies covered.

7. DISCOUNTS.—(*a*) Prompt-payment discounts will be included in the evaluation of bids, provided the period of the offered discount is sufficient to permit payment within such period in the regular course of business under the delivery, inspection, and payment provisions of the Invitation and Bid.

(*b*) In connection with any discount offered, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point of origin, or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher is received in the office specified by the Government if the latter date is later than the date of delivery. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing of the Government check.

8. AWARD OF CONTRACT.—(*a*) The contract will be awarded to that responsible bidder whose bid, conforming to the Invitation for Bids, will be most advantageous to the Government, price and other factors considered.

(*b*) The Government reserves the right to reject any or all bids and to waive informalities and minor irregularities in bids received.

(*c*) The Government may accept any item or group of items of any bid, unless the bidder qualifies his bid by specific limitations. UNLESS OTHERWISE PROVIDED IN THE SCHEDULE, BIDS MAY BE SUBMITTED FOR ANY QUANTITIES LESS THAN THOSE SPECIFIED; AND THE GOVERNMENT RESERVES THE RIGHT TO MAKE AN AWARD ON ANY ITEM FOR A QUANTITY LESS THAN THE QUANTITY BID UPON AT THE UNIT PRICES OFFERED UNLESS THE BIDDER SPECIFIES OTHERWISE IN HIS BID.

(*d*) A written award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid shall be deemed to result in a binding contract without further action by either party.

9. SELLER'S INVOICES.—Invoices shall be prepared and submitted in quadruplicate unless otherwise specified. Invoices shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

10. DEFINITION OF SMALL BUSINESS.—Generally, a small business concern for the purpose of Government procurement is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by Small Business Administration. (*See Code of Federal Regulations, Title 13, Part 103, as amended, which contains the detailed definition and related procedures.*)

☆ U. S. GOVERNMENT PRINTING OFFICE : 1957 O—448020

CONTINUATION SHEET

Bids will be considered under the following schedule. NO BID will be considered for only part of the schedule.

Item No.	Supplies or Services	Unit	Unit Price
1	Concentration of 36 samples of churn drill hole material	Job	$10,000
2	(a) Analyze 1/4 split of concentrate from each of above 36 samples for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report of the processing, including results of the analyses	Job	4,600
3	(a) Analyze 3 samples of previously concentrated material from test pits for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report giving results of the analyses	Job	400
		TOTAL	$15,000

Specifications pertaining to the foregoing items 1, 2, and 3 are attached hereto and made a part of this Invitation to Bid.

COLORADO SCHOOL OF MINES
RESEARCH FOUNDATION, INC.
EXPERIMENTAL PLANT BUILDING
GOLDEN, COLORADO

SPECIFICATIONS

Item 1. - The sample material to be concentrated is from 18 churn drill holes, drilled through placer deposits in the Beaver Creek and Bear Creek Areas. The material, aggregating approximately 2-1/2 cubic yards, is in metal containers and each container is labeled with the Area, drill hole number, and sample interval. Many of the metal containers are not full and some contain considerable water. It will be necessary that the net volume of each sample be determined in advance of processing, as assay results are to be computed on the basis of cubic yard of material. See Exhibit "A", Schedule of Churn Drill Hole Samples, attached hereto, for listing of samples to be concentrated; and see Exhibit "B", Flow Sheet for Concentrating Churn Drill Hole Sample Material, attached hereto, for method of concentrating the samples.

Referring to Exhibit "A", Beaver Creek Area, the material from sample intervals 0-6 feet and 6-12 feet will be combined into a composite sample for concentration purpose. The material from the sample interval from 12 feet to bottom of hole will be concentrated as a separate sample. In the Bear Creek Area, sample material for separate concentration will be for the intervals of 0-6 feet and 6-12 feet.

Item 2. - The concentrates from each of the 36 samples, concentrated under Item 1, will be split into two equal portions; one portion of which is to be placed in a suitable container and reserved for subsequent use by the Government, each container to be properly labeled with the words, "Government," and the "Area," "Hole Number," and "Sample Interval" given. The other half of each concentrate split will be resplit two ways; one half will be placed in a suitable covered container labeled with the words, "Operator," and the "Area," "Hole Number," and "Sample Interval" given. The remaining one-fourth of the concentrates is to be used for analysis to obtain content of tin, columbium-tantalum, tungsten, and gold.

The report of the concentration and analyses must be submitted in triplicate and shall contain, in tabular form, the following information for each sample: Area, hole number, sample interval, volume of sample before concentration, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

Item 3. - The samples of concentrates to be analyzed are a one-half split of that derived from the beneficiation of placer gravel obtained from test pits. The samples are in canvas bags and are

ADDENDA NO. 1 TO

INVITATION TO BID DHR-59-5

ON PAGE 2 OF THE SPECIFICATIONS READING AS FOLLOWS:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	1.390
*Bear Creek	1	0 - 7 Ft.	4.309.

*Line number 3, Bear Creek, pit number 1, should read pit number 2. Sample interval and cubic yard figures remain the same. Please correct your copy of the Invitation to Bid in accordance with this addendum.

labeled as follows, with applicable yardage of the original sample from which the concentrates were derived:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
Bear Creek	~~1~~ 2 2A	0 - 7 Ft.	4.309.

The report of the results of analyses must be submitted in triplicate and shall contain in tabular form the following information for each sample: Area, pit number, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

General - 1. The project as heretofore outlined shall be identified as Docket No. DMEA 654, Contract No. Idm-E58. The report of analysis results shall be addressed to the Executive Officer, DMEA Field Team, Region III, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado.

2. The work outlined under items 1, 2, and 3 above shall be completed so that the required report, in triplicate, will be forwarded, together with the "Government's" and "Operator's" splits of concentrates, so as to reach the above destination within ninety (90) calendar days from the date the confirming purchase order and the sample material were received by the successful bidder.

3. The material under items 1 and 3 is available for prebid inspection at the Denver Federal Center, and inspection can be arranged through John F. Shaw, Bureau of Mines, Building 20, Denver Federal Center, during the hours of 8:30 a.m. to 4:00 p.m. Monday through Friday.

4.* Bidder will designate location of its laboratory to which the material will be delivered by the Government. Costs of transporting the material from the Denver Federal Center to the bidder's laboratory will be considered in making the award.

*The material will be delivered to the successful bidder as soon as possible after award has been made.

Exhibit "A"

Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
1	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
2	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	4	12-19	12-19
3	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
4	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-19	12-19
5	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
6	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
7	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
8	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-17	12-17

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-17	12-17

BEAR CREEK AREA

1	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	15 gal. drum	2	6-12	6-12
2	55 gal. drum	1	0-6	
	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	40 gal. drum	1	6-12	6-12
3	15 gal. drum	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
4	15 gal. drum	1	0-6	0-6
	35 lb. can	2	6-12	6-12
5	35 lb. can	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
6	55 gal. drum	1	0-6	0-6
	40 gal. drum	1	6-12	6-12
7	15 gal. drum	2	0-6	0-6
	15 gal. drum	1	6-12	
	50 lb. can	1	6-12	6-12
8	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

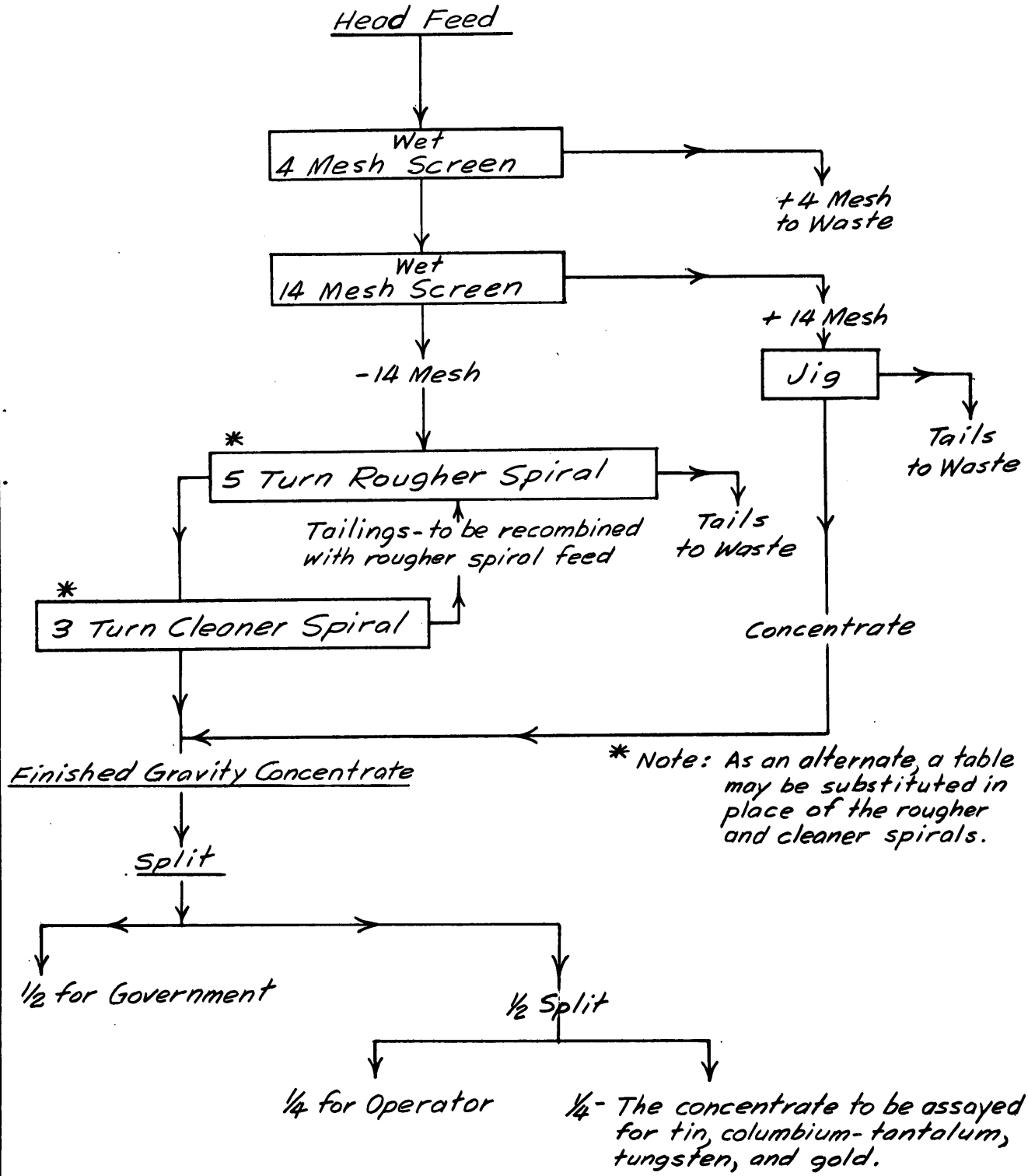
Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAR CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

EXHIBIT "B"

FLOW SHEET FOR CONCENTRATING CHURN DRILL HOLE SAMPLE MATERIAL



Standard Form 32, Oct. 1957 Edition
Prescribed by General Services
Administration Regulation I-II-209.00

GENERAL PROVISIONS

(Supply Contract)

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

(*a*) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(*b*) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(*c*) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. CHANGES

The Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in any one or more of the following: (i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change: *Provided, however,* That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. EXTRAS

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor have been authorized in writing by the Contracting Officer.

4. VARIATION IN QUANTITY

No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this contract.

5. INSPECTION

(*a*) All supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) shall be subject to inspection and test by the Government, to the extent practicable at all times and places including the period of manufacture, and in any event prior to acceptance.

(*b*) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the Government shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by the Contracting Officer, corrected in place by and at the expense of the Contractor promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the Contractor fails promptly to remove such supplies or lots of supplies which are required to be removed, or promptly to replace or correct such supplies or lots of supplies, the Government either (i) may by contract or otherwise replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby, or (ii) may terminate this contract for default as provided in the clause of this contract entitled "Default." Unless the Contractor corrects or replaces such supplies within the delivery schedule, the Contracting Officer may require the delivery of such supplies at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*c*) If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. If Government inspection or test is made at a point other than the premises of the Contractor or a subcontractor, it shall be at the expense of the Government except as otherwise provided in this contract: *Provided,* That in case of rejection the Government shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by the Government shall be performed in such a manner as not to unduly delay the work. The Government reserves the right to charge to the Contractor any additional cost of Government inspection and test when supplies are not ready at the time such inspection and test is requested by the Contractor or when reinspection or retest is necessitated by prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the Contractor from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the Government therefor.

(*d*) The inspection and test by the Government of any supplies or lots thereof does not relieve the Contractor from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Except as otherwise provided in this

contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

(*e*) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies hereunder. Records of all inspection work by the Contractor shall be kept complete and available to the Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

6. Responsibility for Supplies

Except as otherwise provided in this contract, (i) the Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; (ii) after delivery to the Government at the designated point and prior to acceptance by the Government or rejection and giving notice thereof by the Government, the Government shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction, or damage results from the negligence of officers, agents, or employees of the Government acting within the scope of their employment; and (iii) the Contractor shall bear all risks as to rejected supplies after notice of rejection, except that the Government shall be responsible for the loss, or destruction of, or damage to the supplies only if such loss, destruction or damage results from the gross negligence of officers, agents, or employees of the Government acting within the scope of their employment.

7. Payments

The Contractor shall be paid, upon the submission of proper invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either $1,000 or 50 percent of the total amount of this contract.

8. Assignment of Claims

(*a*) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U. S. Code 203, 41 U. S. Code 15), if this contract provides for payments aggregating $1,000 or more, claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off. (*The preceding sentence applies only if this contract is with the Department of Defense, the General Services Administration, the Atomic Energy Commission, or any other department or agency of the United States designated by the President pursuant to clause 4 of the proviso of section 1 of the Assignment of Claims Act of 1940, as amended by the Act of May 15, 1951, 65 Stat. 41.*)

(*b*) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same: *Provided,* That a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

9. Additional Bond Security

If any surety upon any bond furnished in connection with this contract becomes unacceptable to the Government, or if any such surety fails to furnish reports as to his financial condition from time to time as requested by the Government, the Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the Government and of persons supplying labor or materials in the prosecution of the work contemplated by this contract.

10. Examination of Records

(The following clause is applicable if the amount of this contract exceeds $1,000 and was entered into by means of negotiation, but is not applicable if this contract was entered into by means of formal advertising.)

(*a*) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(*b*) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding $1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

11. Default

(*a*) The Government may, subject to the provisions of paragraph (*c*) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(*b*) In the event the Government terminates this contract in whole or in part as provided in paragraph (*a*) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem

appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services: *Provided,* That the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(*c*) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(*d*) If this contract is terminated as provided in paragraph (*a*) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*e*) If, after notice of termination of this contract under the provisions of paragraph (*a*) of this clause, it is determined that the failure to perform this contract is due to causes beyond the control and without the fault or negligence of the Contractor or subcontractor pursuant to the provisions of paragraph (*c*) of this clause, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination for Convenience of the Government," and the rights and obligations of the parties hereto shall in such event be governed by such clause. (*Except as otherwise provided in this contract, this paragraph* (*e*) *applies only if this contract contains such clause.*)

(*f*) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

12. Disputes

(*a*) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(*b*) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (*a*) above: *Provided,* That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

13. Notice and Assistance Regarding Patent Infringement

The provisions of this clause shall be applicable only if the amount of this contract exceeds $5,000.

(*a*) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent infringement based on the performance of this contract of which the Contractor has knowledge.

(*b*) In the event of litigation against the Government on account of any claim of patent infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or service performed hereunder, the Contractor shall furnish to the Government, upon request, all evidence and information in possession of the Contractor pertaining to such litigation. Such evidence and information shall be furnished at the expense of the Government except in those cases in which the Contractor has agreed to indemnify the Government against the claim being asserted.

14. Buy American Act

(*a*) In acquiring end products, the Buy American Act (41 U. S. Code 10 a–d) provides that the Government give preference to domestic source end products. For the purpose of this clause:

(i) "components" means those articles, materials, and supplies, which are directly incorporated in the end products;

(ii) "end products" means those articles, materials, and supplies, which are to be acquired under this contract for public use; and

(iii) a "domestic source end product" means (A) an unmanufactured end product which has been mined or

produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. For the purposes of this (*a*) (iii) (B), components of foreign origin of the same type or kind as the products referred to in (*b*) (ii) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(*b*) The Contractor agrees that there will be delivered under this contract only domestic source end products, except end products:

(i) which are for use outside the United States;

(ii) which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) as to which the Secretary determines the domestic preference to be inconsistent with the public interest; or

(iv) as to which the Secretary determines the cost to the Government to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No. 10582, dated December 17, 1954.)

15. Convict Labor

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

16. Eight-Hour Law of 1912—Overtime Compensation

This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324–326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35–45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

17. Walsh-Healey Public Contracts Act

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed $10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U. S. Code 35–45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

18. Nondiscrimination in Employment

(*a*) In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of the nondiscrimination clause.

(*b*) The Contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

19. Officials Not To Benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

20. Covenant Against Contingent Fees

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

21. Utilization of Small Business Concerns

(*a*) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(*b*) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

☆ U. S. GOVERNMENT PRINTING OFFICE : 1957 O - 442852

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SPECIAL TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

Article 11. Standard Form 32, General Provisions (Supply Contract) prescribed by the General Services Administration, October 1957 edition, is incorporated herein by reference and made a part hereof and receipt of the form is hereby acknowledged. (A copy of Standard Form 32 is obtainable upon request.)

Article 12. Patents. The Contractor shall hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any patented or unpatented invention, article, process, appliance or apparatus manufactured or used by the Contractor in performance of this contract, including its subsequent use or disposal by or for the Government. Any patented invention, the use of which by this contract is required or permitted in the alternative to be used and which the United States has the right to use royalty free, shall be available to the Contractor without the payment of the royalty.

Article 13. Delivery. Time of delivery is important, and complete delivery at the specified destination is desired within the number of calendar days after date of receipt by the contractor of notice of award of contract as indicated on the face of Standard Form 33.

Bidders are required to state, in the space provided on the face of Standard Form 33, a definite period of time within which shipment will be made, and the time so stated, if in excess of the time desired, may be considered in making award of contract. If the bidder fails to insert the number of days in which shipment will be made, the bid will be considered upon the basis that shipment will be made within the desired period, and the bidder agrees to accept award on that basis.

Article 14. Comparison of bids. Whenever applicable, equalizing elements or factors not specifically mentioned or provided for herein, such as the cost of transportation, of installation, of inspection (including salaries, travel, and subsistence expenses), or of any other element or factor in addition to that of price which would affect the final cost to the Government, may be taken into consideration in making award of contract.

Article 15. Protests. If the contractor considers any work demanded of him to be outside of the requirements of the contract, or considers any record or ruling of the contracting officer or of the inspectors to be unfair, he shall immediately upon such work being demanded or such record or ruling being made, ask, in writing, for written instructions or decision, and upon receipt of such written instructions or decision, he shall proceed without delay to perform

the work or to conform to the record or ruling, and within thirty (30) calendar days after date of receipt of the written instructions or decision (unless the contracting officer shall grant a further period of time prior to commencement of the work affected) he shall file a written protest with the contracting officer, stating clearly and in detail the basis of his protest. Except for such protests as are made of record in the manner herein specified and within the time limit stated, the records, rulings, instructions, or decisions of the contracting officer shall be final and conclusive. Instructions and/or decisions of the contracting officer contained in letters transmitting drawings to the contractor shall be considered as written instructions or decisions subject to protest as herein provided.

Article 16. Bidder's qualifications. All prospective bidders are hereby notified that, before any bid submitted in response to this invitation is considered for award, the Government may require the bidder to submit a statement of facts in detail as to the previous experience of the bidder in performing similar or comparable work and of the business and technical organization and financial resources and plant of the bidder available and to be used in performing the contemplated work. The Government expressly reserves the right to reject any bid on which the facts as to business and technical organization, plant, financial, and other resources, or business experience, compared with the work bid upon, justify such rejection.

In the case of highly specialized or complicated equipment where prior satisfactory performance over a period of time under actual operating conditions is essential to establish the reliability of the equipment and where failure to operate properly could result in loss of life or serious property damage, the contracting officer may require the bidder to furnish evidence of satisfactory performance of comparable equipment over a sufficient period of time to insure the reliability of the equipment being offered.

Article 17. Late bids. (a) Metered mail.--No bid or modification thereof transmitted in a metered envelope received after the time set for opening will be considered, unless the envelope is stamped in the Post Office where mailed to show the date and hour of mailing and it is determined by the Government that nonarrival on time was due solely to delay in the mails for which the bidder was not responsible. If a metering device is used in stamping the envelope containing the bid, the bidder is responsible for assuring that the hour and date of posting are indicated on the envelope by Post Office cancellation. The time as shown by the Post Office cancellation will be considered as the hour and date of posting.

Article 18. Default. The following is added to Paragraph (c) of Clause No. 11 entitled "Default" of Standard Form 32, October 1957 Edition:

> "Whether the failure to perform arises out of default of either the prime contractor or his subcontractor the contractor shall, as a condition precedent to being relieved from excess costs for failure

to perform because of excusable delays, notify the contracting officer in writing of the cause of any such delay, within 30 days from the beginning thereof, or within such further period as the contracting officer shall, prior to the date of final settlement of the contract, grant for the giving of such notice. As soon as practicable after receipt of the contractor's notice of delay, the contracting officer shall ascertain the facts and extent of the delay, and extend the time for making delivery when in his judgment the findings of fact justify such an extension, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal, within 30 days, by the contractor to the Secretary or his duly authorized representative, under the Disputes Clause of this contract."

Article 19. Extras. The contractor shall, when ordered in writing by the contracting officer, perform extra work and furnish extra material, not required by the invitation or included in the schedule, but forming an inseparable part of the work contracted for. Extra work and material will ordinarily be paid for at the lump-sum or unit price stated in the order. Whenever, in the judgment of the contracting officer, it is impracticable, because of the nature of the work or for any other reason to otherwise fix the price in the order, the extra work and material shall be paid for at the actual necessary cost as determined by the contracting officer, plus an allowance, not to exceed 15 per cent of such actual necessary cost of the extra work and materials, for superintendence, general expense, and profit. The actual necessary cost will include all reasonable expenditures for material, labor (including compensation insurance and social security taxes), and supplies furnished by the contractor, and a reasonable allowance for the use of his plant and equipment, where required, but will in no case include any allowance for office expenses, general superintendence, or other general expenses.

Article 20. Federal, State, and local taxes. (a) As used throughout this paragraph, the term "tax inclusive date" means the date of negotiated contracts and the date set for the opening of bids for contracts entered into through formal advertising. As to additional supplies or services procured by modification to this contract, the term "tax inclusive date" means the date of such modification.

(b) Except as may be otherwise provided in this contract, the contract price includes all Federal, State, and local taxes and duties in effect and applicable to this contract on the tax inclusive date, except taxes (other than Federal transportation taxes) from which the Government, the contractor, or the transactions or property covered by this contract are then exempt. Unless specifically excluded, duties are included in the contract price, and, if freight is included in the contract price, Federal transportation taxes are likewise included.

(c) (1) If the contractor is required to pay or bear the burden (i) of any tax or duty, which either was not to be included in the contract price pursuant to the requirements of paragraph (b), or was specifically excluded from the contract price by a provision of this contract; or (ii) of an increase in rate of any tax or duty, whether or not such tax or duty was excluded from the contract price; or of any interest or penalty thereon, the contract price shall be correspondingly increased: Provided, That the contractor warrants in writing that no amount for such tax, duty or rate increase was included in the contract price as a contingency reserve or otherwise: And provided further, That liability for such tax, duty, rate increase, interest, or penalty was not incurred through the fault or negligence of the contractor or its failure to follow instructions of the contracting officer.

(2) If the contractor is not required to pay or bear the burden, or obtains a refund or drawback, in whole or in part, of any tax, duty, interest, or penalty which (i) was to be included in the contract price pursuant to the requirements of subparagraph (b), (ii) was included in the contract price, or (iii) was the basis of an increase in the contract price, the contract price shall be correspondingly decreased or the amount of such relief, refund, or drawback shall be paid to the Government, as directed by the contracting officer. The contract price also shall be correspondingly decreased if the contractor, through its fault or negligence or its failure to follow instructions of the contracting officer, is required to pay or bear the burden, or does not obtain a refund or drawback of any such tax, duty, interest, or penalty. Interest paid or credited to the contractor incident to a refund of taxes shall inure to the benefit of the Government to the extent that such interest was earned after the contractor was paid or reimbursed by the Government for such taxes.

(3) Invoices or vouchers covering any adjustment of the contract price pursuant to this subparagraph (c) shall set forth the amount thereof as a separate item and shall identify the particular tax involved.

(4) Nothing in this subparagraph (c) shall be applicable to social security taxes; net income taxes; excess profit taxes; capital stock taxes; Federal transportation taxes, except changes in the rate thereof, including repeal, pertaining to shipments from the contractor to the Government; unemployment compensation taxes; or any State and local taxes, except those levied on or measured by the contract or sales price of the services or completed supplies furnished under this contract, including gross income taxes, gross receipts taxes, sales and use taxes, excise taxes, or franchise or occupation taxes measured by sales or receipt from sales.

(5) No adjustment of less than $100 shall be made in the contract price pursuant to this subparagraph.

(d) Unless there does not exist any reasonable basis to sustain an exemption, the Government agrees upon request of the contractor, without

further liability except as otherwise provided in this contract, to furnish evidence appropriate to establish exemption from (i) any Federal tax, which the contractor warrants in writing was excluded from the contract price, or (ii) any State or local tax: Provided, That evidence appropriate to establish exemption from duties will be furnished, and Government bills of lading will be issued, only at the discretion of the contracting officer. In addition, the contracting officer may furnish evidence appropriate to establish exemption from any tax that may, pursuant to this paragraph, give rise to either an increase or decrease in the contract price.

(e) (1) The contractor shall promptly notify the contracting officer of all matters pertaining to Federal, State, and local taxes and duties that reasonably may result in either an increase or decrease in the contract price.

(2) Whenever an increase or decrease in the contract price may be required under this paragraph, the contractor shall take action as directed by the contracting officer, and the contract price shall be equitably adjusted to cover the costs of such action, including any interest, penalty, and reasonable attorney's fees.

NOTE: WHERE TRADE NAMES ARE USED IT IS FOR IDENTIFICATION ONLY.

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FOR ADDITIONAL INFORMATION CONTACT:

R. E. Babcock
Bureau of Mines
Denver, Colorado
Tel.: Keyston 4-4151, Ext. 8303

Standard Form 33 (Oct. 1957 Edition)
Prescribed by General Services Administration
Regulation 1-II-209.00

INVITATION, BID, AND AWARD
(SUPPLY CONTRACT)

CONTRACT NO.

ORDER NO. (If any) Lot No. 1366

PAGE NO. 1 | NUMBER OF PAGES 2

ISSUED BY: Department of the Interior
Bureau of Mines, Region III

ADDRESS: 224 New Customhouse
Denver, Colorado

INVITATION FOR BIDS

DATE ISSUED: August 15, 1958 | INVITATION NO. DER-59-5

Sealed bids in quintuplicate, subject to (1) the Terms and Conditions of the Invitation for Bids, (2) the accompanying Schedule, (3) General Provisions (Standard Form 32, October 1957 edition), which are incorporated herein by reference, and (4) such other contract provisions and specifications as are attached or incorporated by reference in the Schedule, will be received at the above office until 2:00 o'clock p.m., MST Time, August 27, 1958 (*date*) and at that time publicly opened, for furnishing the supplies or services described in the accompanying Schedule, for delivery f. o. b. DMEA, Executive Officer, 224 New Customhouse, Denver 2, Colorado

General information and instructions to bidders are contained in the terms and conditions on the reverse hereof.

SCHEDULE

ITEM NO.	SUPPLIES OR SERVICES	QUANTITY (No. of units)	UNIT	UNIT PRICE	AMOUNT
1	Concentration of 36 samples				
2	Analysis of 36 concentrate samples				
3	Analysis of 3 concentrate samples				
	For details see "Continuation Sheet" and "Specifications" attached. Attached special terms and conditions of the invitation for bids are hereby made part of the contract.				

BID

DATE OF BID: August 27, 1958

In compliance with the above, the undersigned offers and agrees, if this Bid be accepted within 90 calendar days (*60 calendar days unless a different period be inserted by the bidder*) from the date of opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the designated point(s) within the time specified in the Schedule. Discounts will be allowed for prompt payment as follows:
0 percent, 10 calendar days; 0 percent, 20 calendar days; 0 percent, 30 calendar days.

BIDDER REPRESENTS: (*Check appropriate boxes*)

(1) That he ☒ is, ☐ is not, a small business concern. (*See definition on reverse hereof.*) If bidder is a small business concern and is not the manufacturer of the supplies bid upon, he also represents that all supplies to be furnished hereunder ☒ will, ☐ will not, be manufactured or produced by a small business concern in the United States, its Territories, its possessions, or the Commonwealth of Puerto Rico.

(2) That he is a ☒ regular dealer in, ☐ manufacturer of, the supplies bid upon.

(3) (*a*) That he ☐ has, ☒ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the bidder) to solicit or secure this contract, and (b) that he ☐ has, ☒ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (*a*) and (*b*) above as requested by the Contracting Officer.
(*For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 44, Part 150.*)

(4) He operates as an ☐ individual, ☐ partnership, ☒ corporation, incorporated in the State of Colorado

NAME AND ADDRESS OF BIDDER (*Street, city, zone, and State. Type or print*)
Humphreys Engineering Company
818 Seventeenth Street
Denver 2, Colorado

SIGNATURE OF PERSON AUTHORIZED TO SIGN BID: E. L. Dailey

TYPE OR PRINT SIGNER'S NAME AND TITLE: E. L. Dailey
Treasurer

AWARD

DATE OF AWARD

ACCEPTED AS TO ITEMS NUMBERED | AMOUNT $

UNITED STATES OF AMERICA

BY _____ *Contracting Officer.*

SUBMIT INVOICE FOR PAYMENT TO

ACCOUNTING AND APPROPRIATION DATA

PAYMENT WILL BE MADE BY

Award will be made on this Form, or on Standard Form 26, or by other official written notice.

16—60682-4

TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

1. PREPARATION OF BIDS.—(*a*) Bidders are expected to examine the drawings, specifications, Schedule, and all instructions. Failure to do so will be at the bidder's risk.

(*b*) Each bidder shall furnish the information required by the bid form. The bidder shall print or type his name on the Schedule and each Continuation Sheet thereof on which he makes an entry. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent must be accompanied by evidence of his authority.

(*c*) Unit price for each unit bid on shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the Amount column of the Schedule for each item bid on. In case of error in extension of price, the unit price will govern.

(*d*) Alternate bids will not be considered unless authorized by the Invitation.

(*e*) When not otherwise specified, bidder must definitely state time of proposed delivery.

(*f*) Time, if stated as a number of days, will include Sundays and holidays.

2. SUBMISSION OF BIDS.—(*a*) Bids and modifications thereof shall be enclosed in sealed envelopes addressed to the issuing office, with the name and address of the bidder, the date and hour of opening, and the invitation number on the face of the envelope. Telegraphic bids will not be considered unless authorized by the Invitation; however, bids may be modified by telegraphic notice provided such notice is received prior to the time set for the opening of the bids.

(*b*) Samples of items, when required, must be submitted within the time specified, and unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Invitation.

(*c*) In the event no bid is to be submitted, do not return the Invitation unless otherwise specified. However, a letter or post card should be sent to the issuing office advising whether future Invitations for the type of supplies or services covered by this Invitation are desired.

3. WITHDRAWAL OF BIDS.—Bids may be withdrawn by written or telegraphic notice (see 4 below).

4. LATE BIDS.—Bids and modifications or withdrawals thereof received after the time set for opening will not be considered, unless they are received before the award is made, and it is determined by the Government that failure to arrive on time was due solely to delay in the mails for which the bidder was not responsible.

5. GOVERNMENT-FURNISHED PROPERTY.—No material, labor, or facilities will be furnished by the Government unless otherwise provided for in the Invitation.

6. LABOR INFORMATION.—Attention is invited to the possibility that wage determinations may have been made under the Walsh-Healey Public Contracts Act providing minimum wages for employees engaged in the manufacture for sale to the Government of the supplies covered by this Invitation for Bids. Information in this connection, as well as general information as to the requirements of the Act concerning overtime payment, child labor, safety and health provisions, etc., may be obtained from the Wage and Hour and Public Contracts Divisions, Department of Labor, Washington 25, D. C. Requests for information should state the Invitation number, the issuing agency and the supplies covered.

7. DISCOUNTS.—(*a*) Prompt-payment discounts will be included in the evaluation of bids, provided the period of the offered discount is sufficient to permit payment within such period in the regular course of business under the delivery, inspection, and payment provisions of the Invitation and Bid.

(*b*) In connection with any discount offered, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point of origin, or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher is received in the office specified by the Government if the latter date is later than the date of delivery. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing of the Government check.

8. AWARD OF CONTRACT.—(*a*) The contract will be awarded to that responsible bidder whose bid, conforming to the Invitation for Bids, will be most advantageous to the Government, price and other factors considered.

(*b*) The Government reserves the right to reject any or all bids and to waive informalities and minor irregularities in bids received.

(*c*) The Government may accept any item or group of items of any bid, unless the bidder qualifies his bid by specific limitations. UNLESS OTHERWISE PROVIDED IN THE SCHEDULE, BIDS MAY BE SUBMITTED FOR ANY QUANTITIES LESS THAN THOSE SPECIFIED; AND THE GOVERNMENT RESERVES THE RIGHT TO MAKE AN AWARD ON ANY ITEM FOR A QUANTITY LESS THAN THE QUANTITY BID UPON AT THE UNIT PRICES OFFERED UNLESS THE BIDDER SPECIFIES OTHERWISE IN HIS BID.

(*d*) A written award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid shall be deemed to result in a binding contract without further action by either party.

9. SELLER'S INVOICES.—Invoices shall be prepared and submitted in quadruplicate unless otherwise specified. Invoices shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

10. DEFINITION OF SMALL BUSINESS.—Generally, a small business concern for the purpose of Government procurement is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by Small Business Administration. (*See Code of Federal Regulations, Title 13, Part 103, as amended, which contains the detailed definition and related procedures.*)

* U. S. GOVERNMENT PRINTING OFFICE : 1957 O—448020

Bids will be considered under the following schedule. NO BID will be considered for only part of the schedule.

Item No.	Supplies or Services	Unit	Unit Price
1	Concentration of 36 samples of churn drill hole material	Job	$6,490.00
2	(a) Analyze 1/4 split of concentrate from each of above 36 samples for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report of the processing, including results of the analyses	Job	874.00
3	(a) Analyze 3 samples of previously concentrated material from test pits for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report giving results of the analyses	Job	104.50
		TOTAL	$7,468.50

Specifications pertaining to the foregoing items 1, 2, and 3 are attached hereto and made a part of this Invitation to Bid.

SPECIFICATIONS

Item 1. - The sample material to be concentrated is from 18 churn drill holes, drilled through placer deposits in the Beaver Creek and Bear Creek Areas. The material, aggregating approximately 2-1/2 cubic yards, is in metal containers and each container is labeled with the Area, drill hole number, and sample interval. Many of the metal containers are not full and some contain considerable water. It will be necessary that the net volume of each sample be determined in advance of processing, as assay results are to be computed on the basis of cubic yard of material. See Exhibit "A", Schedule of Churn Drill Hole Samples, attached hereto, for listing of samples to be concentrated; and see Exhibit "B", Flow Sheet for Concentrating Churn Drill Hole Sample Material, attached hereto, for method of concentrating the samples.

Referring to Exhibit "A", Beaver Creek Area, the material from sample intervals 0-6 feet and 6-12 feet will be combined into a composite sample for concentration purpose. The material from the sample interval from 12 feet to bottom of hole will be concentrated as a separate sample. In the Bear Creek Area, sample material for separate concentration will be for the intervals of 0-6 feet and 6-12 feet.

Item 2. - The concentrates from each of the 36 samples, concentrated under Item 1, will be split into two equal portions; one portion of which is to be placed in a suitable container and reserved for subsequent use by the Government, each container to be properly labeled with the words, "Government," and the "Area," "Hole Number," and "Sample Interval" given. The other half of each concentrate split will be resplit two ways; one half will be placed in a suitable covered container labeled with the words, "Operator," and the "Area," "Hole Number," and "Sample Interval" given. The remaining one-fourth of the concentrates is to be used for analysis to obtain content of tin, columbium-tantalum, tungsten, and gold.

The report of the concentration and analyses must be submitted in triplicate and shall contain, in tabular form, the following information for each sample: Area, hole number, sample interval, volume of sample before concentration, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

Item 3. - The samples of concentrates to be analyzed are a one-half split of that derived from the beneficiation of placer gravel obtained from test pits. The samples are in canvas bags and are

labeled as follows, with applicable yardage of the original sample from which the concentrates were derived:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
Bear Creek	~~3~~ 2	0 - 7 Ft.	4.309.

The report of the results of analyses must be submitted in triplicate and shall contain in tabular form the following information for each sample: Area, pit number, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

General -

1. The project as heretofore outlined shall be identified as Docket No. DMEA 654, Contract No. Idm-E58. The report of analysis results shall be addressed to the Executive Officer, DMEA Field Team, Region III, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado.

2. The work outlined under items 1, 2, and 3 above shall be completed so that the required report, in triplicate, will be forwarded, together with the "Government's" and "Operator's" splits of concentrates, so as to reach the above destination within ninety (90) calendar days from the date the confirming purchase order and the sample material were received by the successful bidder.

3. The material under items 1 and 3 is available for prebid inspection at the Denver Federal Center, and inspection can be arranged through John F. Shaw, Bureau of Mines, Building 20, Denver Federal Center, during the hours of 8:30 a.m. to 4:00 p.m. Monday through Friday.

4.* Bidder will designate location of its laboratory to which the material will be delivered by the Government. Costs of transporting the material from the Denver Federal Center to the bidder's laboratory will be considered in making the award.

*The material will be delivered to the successful bidder as soon as possible after award has been made.

Exhibit "A"

Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
1	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
2	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	4	12-19	12-19
3	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
4	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-19	12-19
5	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
6	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
7	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
8	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-17	12-17

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-17	12-17

BEAR CREEK AREA

1	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	15 gal. drum	2	6-12	6-12
2	55 gal. drum	1	0-6	
	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	40 gal. drum	1	6-12	6-12
3	15 gal. drum	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
4	15 gal. drum	1	0-6	0-6
	35 lb. can	2	6-12	6-12
5	35 lb. can	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
6	55 gal. drum	1	0-6	0-6
	40 gal. drum	1	6-12	6-12
7	15 gal. drum	2	0-6	0-6
	15 gal. drum	1	6-12	
	50 lb. can	1	6-12	6-12
8	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

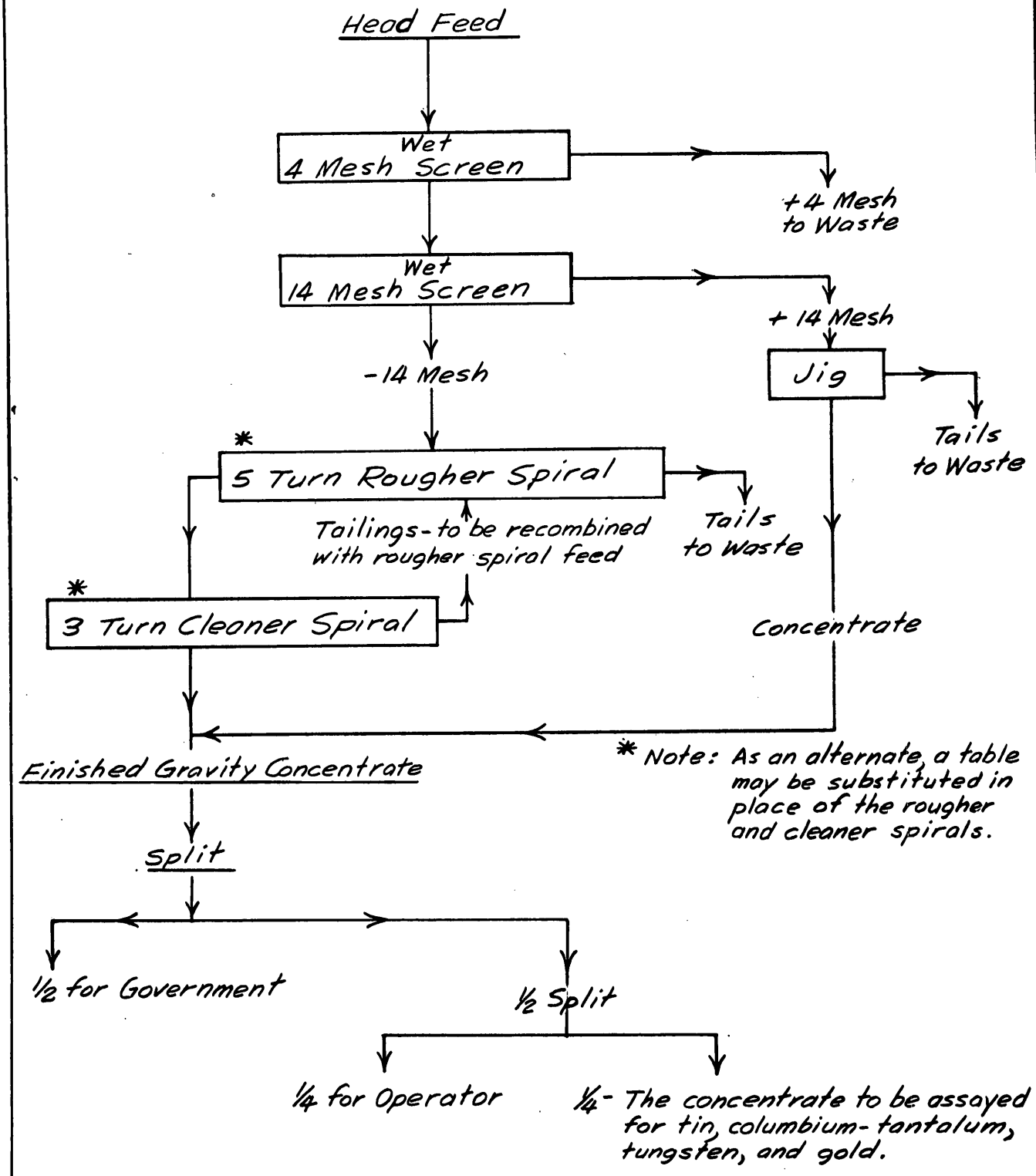
Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAR CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

EXHIBIT "B"

FLOW SHEET FOR CONCENTRATING CHURN DRILL HOLE SAMPLE MATERIAL



Standard Form 32, Oct. 1957 Edition
Prescribed by General Services
Administration Regulation I-II-209.00

GENERAL PROVISIONS

(Supply Contract)

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

(*a*) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(*b*) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(*c*) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. CHANGES

The Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in any one or more of the following: (i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change: *Provided, however,* That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. EXTRAS

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor have been authorized in writing by the Contracting Officer.

4. VARIATION IN QUANTITY

No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this contract.

5. INSPECTION

(*a*) All supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) shall be subject to inspection and test by the Government, to the extent practicable at all times and places including the period of manufacture, and in any event prior to acceptance.

(*b*) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the Government shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by the Contracting Officer, corrected in place by and at the expense of the Contractor promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the Contractor fails promptly to remove such supplies or lots of supplies which are required to be removed, or promptly to replace or correct such supplies or lots of supplies, the Government either (i) may by contract or otherwise replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby, or (ii) may terminate this contract for default as provided in the clause of this contract entitled "Default." Unless the Contractor corrects or replaces such supplies within the delivery schedule, the Contracting Officer may require the delivery of such supplies at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*c*) If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. If Government inspection or test is made at a point other than the premises of the Contractor or a subcontractor, it shall be at the expense of the Government except as otherwise provided in this contract: *Provided,* That in case of rejection the Government shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by the Government shall be performed in such a manner as not to unduly delay the work. The Government reserves the right to charge to the Contractor any additional cost of Government inspection and test when supplies are not ready at the time such inspection and test is requested by the Contractor or when reinspection or retest is necessitated by prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the Contractor from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the Government therefor.

(*d*) The inspection and test by the Government of any supplies or lots thereof does not relieve the Contractor from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Except as otherwise provided in this

contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

(*e*) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies hereunder. Records of all inspection work by the Contractor shall be kept complete and available to the Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

6. Responsibility for Supplies

Except as otherwise provided in this contract, (i) the Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; (ii) after delivery to the Government at the designated point and prior to acceptance by the Government or rejection and giving notice thereof by the Government, the Government shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction, or damage results from the negligence of officers, agents, or employees of the Government acting within the scope of their employment; and (iii) the Contractor shall bear all risks as to rejected supplies after notice of rejection, except that the Government shall be responsible for the loss, or destruction of, or damage to the supplies only if such loss, destruction or damage results from the gross negligence of officers, agents, or employees of the Government acting within the scope of their employment.

7. Payments

The Contractor shall be paid, upon the submission of proper invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either $1,000 or 50 percent of the total amount of this contract.

8. Assignment of Claims

(*a*) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U. S. Code 203, 41 U. S. Code 15), if this contract provides for payments aggregating $1,000 or more, claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off. (*The preceding sentence applies only if this contract is with the Department of Defense, the General Services Administration, the Atomic Energy Commission, or any other department or agency of the United States designated by the President pursuant to clause 4 of the proviso of section 1 of the Assignment of Claims Act of 1940, as amended by the Act of May 15, 1951, 65 Stat. 41.*)

(*b*) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same: *Provided,* That a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

9. Additional Bond Security

If any surety upon any bond furnished in connection with this contract becomes unacceptable to the Government, or if any such surety fails to furnish reports as to his financial condition from time to time as requested by the Government, the Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the Government and of persons supplying labor or materials in the prosecution of the work contemplated by this contract.

10. Examination of Records

(The following clause is applicable if the amount of this contract exceeds $1,000 and was entered into by means of negotiation, but is not applicable if this contract was entered into by means of formal advertising.)

(*a*) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(*b*) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding $1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

11. Default

(*a*) The Government may, subject to the provisions of paragraph (*c*) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(*b*) In the event the Government terminates this contract in whole or in part as provided in paragraph (*a*) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem

appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services: *Provided,* That the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(*c*) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(*d*) If this contract is terminated as provided in paragraph (*a*) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*e*) If, after notice of termination of this contract under the provisions of paragraph (*a*) of this clause, it is determined that the failure to perform this contract is due to causes beyond the control and without the fault or negligence of the Contractor or subcontractor pursuant to the provisions of paragraph (*c*) of this clause, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination for Convenience of the Government," and the rights and obligations of the parties hereto shall in such event be governed by such clause. (*Except as otherwise provided in this contract, this paragraph (e) applies only if this contract contains such clause.*)

(*f*) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

12. Disputes

(*a*) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(*b*) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (*a*) above: *Provided,* That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

13. Notice and Assistance Regarding Patent Infringement

The provisions of this clause shall be applicable only if the amount of this contract exceeds $5,000.

(*a*) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent infringement based on the performance of this contract of which the Contractor has knowledge.

(*b*) In the event of litigation against the Government on account of any claim of patent infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or service performed hereunder, the Contractor shall furnish to the Government, upon request, all evidence and information in possession of the Contractor pertaining to such litigation. Such evidence and information shall be furnished at the expense of the Government except in those cases in which the Contractor has agreed to indemnify the Government against the claim being asserted.

14. Buy American Act

(*a*) In acquiring end products, the Buy American Act (41 U. S. Code 10 a–d) provides that the Government give preference to domestic source end products. For the purpose of this clause:

(i) "components" means those articles, materials, and supplies, which are directly incorporated in the end products;

(ii) "end products" means those articles, materials, and supplies, which are to be acquired under this contract for public use; and

(iii) a "domestic source end product" means (A) an unmanufactured end product which has been mined or

produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. For the purposes of this (*a*) (iii) (B), components of foreign origin of the same type or kind as the products referred to in (*b*) (ii) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(*b*) The Contractor agrees that there will be delivered under this contract only domestic source end products, except end products:

(i) which are for use outside the United States;

(ii) which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) as to which the Secretary determines the domestic preference to be inconsistent with the public interest; or

(iv) as to which the Secretary determines the cost to the Government to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No. 10582, dated December 17, 1954.)

15. Convict Labor

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

16. Eight-Hour Law of 1912—Overtime Compensation

This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324–326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35–45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

17. Walsh-Healey Public Contracts Act

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed $10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U. S. Code 35–45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

18. Nondiscrimination in Employment

(*a*) In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of the nondiscrimination clause.

(*b*) The Contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

19. Officials Not To Benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

20. Covenant Against Contingent Fees

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

21. Utilization of Small Business Concerns

(*a*) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(*b*) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

☆ U. S. GOVERNMENT PRINTING OFFICE : 1957 O - 442852

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SPECIAL TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

Article 11. Standard Form 32, General Provisions (Supply Contract) prescribed by the General Services Administration, October 1957 edition, is incorporated herein by reference and made a part hereof and receipt of the form is hereby acknowledged. (A copy of Standard Form 32 is obtainable upon request.)

Article 12. Patents. The Contractor shall hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any patented or unpatented invention, article, process, appliance or apparatus manufactured or used by the Contractor in performance of this contract, including its subsequent use or disposal by or for the Government. Any patented invention, the use of which by this contract is required or permitted in the alternative to be used and which the United States has the right to use royalty free, shall be available to the Contractor without the payment of the royalty.

Article 13. Delivery. Time of delivery is important, and complete delivery at the specified destination is desired within the number of calendar days after date of receipt by the contractor of notice of award of contract as indicated on the face of Standard Form 33.

Bidders are required to state, in the space provided on the face of Standard Form 33, a definite period of time within which shipment will be made, and the time so stated, if in excess of the time desired, may be considered in making award of contract. If the bidder fails to insert the number of days in which shipment will be made, the bid will be considered upon the basis that shipment will be made within the desired period, and the bidder agrees to accept award on that basis.

Article 14. Comparison of bids. Whenever applicable, equalizing elements or factors not specifically mentioned or provided for herein, such as the cost of transportation, of installation, of inspection (including salaries, travel, and subsistence expenses), or of any other element or factor in addition to that of price which would affect the final cost to the Government, may be taken into consideration in making award of contract.

Article 15. Protests. If the contractor considers any work demanded of him to be outside of the requirements of the contract, or considers any record or ruling of the contracting officer or of the inspectors to be unfair, he shall immediately upon such work being demanded or such record or ruling being made, ask, in writing, for written instructions or decision, and upon receipt of such written instructions or decision, he shall proceed without delay to perform

the work or to conform to the record or ruling, and within thirty (30) calendar days after date of receipt of the written instructions or decision (unless the contracting officer shall grant a further period of time prior to commencement of the work affected) he shall file a written protest with the contracting officer, stating clearly and in detail the basis of his protest. Except for such protests as are made of record in the manner herein specified and within the time limit stated, the records, rulings, instructions, or decisions of the contracting officer shall be final and conclusive. Instructions and/or decisions of the contracting officer contained in letters transmitting drawings to the contractor shall be considered as written instructions or decisions subject to protest as herein provided.

Article 16. Bidder's qualifications. All prospective bidders are hereby notified that, before any bid submitted in response to this invitation is considered for award, the Government may require the bidder to submit a statement of facts in detail as to the previous experience of the bidder in performing similar or comparable work and of the business and technical organization and financial resources and plant of the bidder available and to be used in performing the contemplated work. The Government expressly reserves the right to reject any bid on which the facts as to business and technical organization, plant, financial, and other resources, or business experience, compared with the work bid upon, justify such rejection.

In the case of highly specialized or complicated equipment where prior satisfactory performance over a period of time under actual operating conditions is essential to establish the reliability of the equipment and where failure to operate properly could result in loss of life or serious property damage, the contracting officer may require the bidder to furnish evidence of satisfactory performance of comparable equipment over a sufficient period of time to insure the reliability of the equipment being offered.

Article 17. Late bids. (a) Metered mail.--No bid or modification thereof transmitted in a metered envelope received after the time set for opening will be considered, unless the envelope is stamped in the Post Office where mailed to show the date and hour of mailing and it is determined by the Government that nonarrival on time was due solely to delay in the mails for which the bidder was not responsible. If a metering device is used in stamping the envelope containing the bid, the bidder is responsible for assuring that the hour and date of posting are indicated on the envelope by Post Office cancellation. The time as shown by the Post Office cancellation will be considered as the hour and date of posting.

Article 18. Default. The following is added to Paragraph (c) of Clause No. 11 entitled "Default" of Standard Form 32, October 1957 Edition:

> "Whether the failure to perform arises out of default of either the prime contractor or his subcontractor the contractor shall, as a condition precedent to being relieved from excess costs for failure

to perform because of excusable delays, notify the contracting officer in writing of the cause of any such delay, within 30 days from the beginning thereof, or within such further period as the contracting officer shall, prior to the date of final settlement of the contract, grant for the giving of such notice. As soon as practicable after receipt of the contractor's notice of delay, the contracting officer shall ascertain the facts and extent of the delay, and extend the time for making delivery when in his judgment the findings of fact justify such an extension, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal, within 30 days, by the contractor to the Secretary or his duly authorized representative, under the Disputes Clause of this contract."

Article 19. Extras. The contractor shall, when ordered in writing by the contracting officer, perform extra work and furnish extra material, not required by the invitation or included in the schedule, but forming an inseparable part of the work contracted for. Extra work and material will ordinarily be paid for at the lump-sum or unit price stated in the order. Whenever, in the judgment of the contracting officer, it is impracticable, because of the nature of the work or for any other reason to otherwise fix the price in the order, the extra work and material shall be paid for at the actual necessary cost as determined by the contracting officer, plus an allowance, not to exceed 15 per cent of such actual necessary cost of the extra work and materials, for superintendence, general expense, and profit. The actual necessary cost will include all reasonable expenditures for material, labor (including compensation insurance and social security taxes), and supplies furnished by the contractor, and a reasonable allowance for the use of his plant and equipment, where required, but will in no case include any allowance for office expenses, general superintendence, or other general expenses.

Article 20. Federal, State, and local taxes. (a) As used throughout this paragraph, the term "tax inclusive date" means the date of negotiated contracts and the date set for the opening of bids for contracts entered into through formal advertising. As to additional supplies or services procured by modification to this contract, the term "tax inclusive date" means the date of such modification.

(b) Except as may be otherwise provided in this contract, the contract price includes all Federal, State, and local taxes and duties in effect and applicable to this contract on the tax inclusive date, except taxes (other than Federal transportation taxes) from which the Government, the contractor, or the transactions or property covered by this contract are then exempt. Unless specifically excluded, duties are included in the contract price, and, if freight is included in the contract price, Federal transportation taxes are likewise included.

(c) (1) If the contractor is required to pay or bear the burden (i) of any tax or duty, which either was not to be included in the contract price pursuant to the requirements of paragraph (b), or was specifically excluded from the contract price by a provision of this contract; or (ii) of an increase in rate of any tax or duty, whether or not such tax or duty was excluded from the contract price; or of any interest or penalty thereon, the contract price shall be correspondingly increased: Provided, That the contractor warrants in writing that no amount for such tax, duty or rate increase was included in the contract price as a contingency reserve or otherwise: And provided further, That liability for such tax, duty, rate increase, interest, or penalty was not incurred through the fault or negligence of the contractor or its failure to follow instructions of the contracting officer.

(2) If the contractor is not required to pay or bear the burden, or obtains a refund or drawback, in whole or in part, of any tax, duty, interest, or penalty which (i) was to be included in the contract price pursuant to the requirements of subparagraph (b), (ii) was included in the contract price, or (iii) was the basis of an increase in the contract price, the contract price shall be correspondingly decreased or the amount of such relief, refund, or drawback shall be paid to the Government, as directed by the contracting officer. The contract price also shall be correspondingly decreased if the contractor, through its fault or negligence or its failure to follow instructions of the contracting officer, is required to pay or bear the burden, or does not obtain a refund or drawback of any such tax, duty, interest, or penalty. Interest paid or credited to the contractor incident to a refund of taxes shall inure to the benefit of the Government to the extent that such interest was earned after the contractor was paid or reimbursed by the Government for such taxes.

(3) Invoices or vouchers covering any adjustment of the contract price pursuant to this subparagraph (c) shall set forth the amount thereof as a separate item and shall identify the particular tax involved.

(4) Nothing in this subparagraph (c) shall be applicable to social security taxes; net income taxes; excess profit taxes; capital stock taxes; Federal transportation taxes, except changes in the rate thereof, including repeal, pertaining to shipments from the contractor to the Government; unemployment compensation taxes; or any State and local taxes, except those levied on or measured by the contract or sales price of the services or completed supplies furnished under this contract, including gross income taxes, gross receipts taxes, sales and use taxes, excise taxes, or franchise or occupation taxes measured by sales or receipt from sales.

(5) No adjustment of less than $100 shall be made in the contract price pursuant to this subparagraph.

(d) Unless there does not exist any reasonable basis to sustain an exemption, the Government agrees upon request of the contractor, without

further liability except as otherwise provided in this contract, to furnish evidence appropriate to establish exemption from (i) any Federal tax, which the contractor warrants in writing was excluded from the contract price, or (ii) any State or local tax: Provided, That evidence appropriate to establish exemption from duties will be furnished, and Government bills of lading will be issued, only at the discretion of the contracting officer. In addition, the contracting officer may furnish evidence appropriate to establish exemption from any tax that may, pursuant to this paragraph, give rise to either an increase or decrease in the contract price.

(e) (1) The contractor shall promptly notify the contracting officer of all matters pertaining to Federal, State, and local taxes and duties that reasonably may result in either an increase or decrease in the contract price.

(2) Whenever an increase or decrease in the contract price may be required under this paragraph, the contractor shall take action as directed by the contracting officer, and the contract price shall be equitably adjusted to cover the costs of such action, including any interest, penalty, and reasonable attorney's fees.

NOTE: WHERE TRADE NAMES ARE USED IT IS FOR IDENTIFICATION ONLY.

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FOR ADDITIONAL INFORMATION CONTACT:

R. E. Babcock
Bureau of Mines
Denver, Colorado
Tel.: Keyston 4-4151, Ext. 8303

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 3, 1958

EXTRA COPY
O. M. E.
RECEIVED NOV 6 1958
DATE INITIALS
COPY
800

AIR MAIL

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin Columbium Tantalum, Tungsten) Contract Idm-858, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

The Denver Equipment Company has completed the processing of the drill hole and test pit material from the subject project, and has rendered a report thereof as specified in their accepted bid.

The Operator cannot render its final report until the results of the processing and analyses of concentrates are made known to it; however, before forwarding a split of the concentrates, and a copy of the Denver Equipment Company Report to the Operator, clearance from your office is requested.

The status of funds withheld from reimbursement to the Operator is as follows:

Total amount withheld from reimbursement to the Operator todate. .$ 885.70

Transportation Expenses Incurred

Cost of transporting samples from project site to Denver	$ 537.24
Cost of transporting samples to Denver Equipment Company	42.50
Cost of processing and analysis of samples	5352.00
TOTAL	$5931.74
Portion chargeable to Operator at 10 per cent	593.17
Balance withheld above incurred expenses.	$292.53

The $292.53 balance withheld, constitutes the only leverage [illegible] the Operator to assure it rendering the required final report; if the Operator renders a final report, there will

undoubtedly be an additional charge to the project for costs incurred in preparing the report as provided for in the contract which will increase the amount of the final payment to the Operator.

When you have reviewed the matter, please teletype clearance for us to forward a split of the concentrates and a copy of the report to the Operator.

J. W. Townsend

FINAL DISTRIBUTION
MADE OCT 7 1958

[illegible] New Customhouse
Denver 2, Colorado
October 1, 1958

EXTRA COPY O. M. E. RECEIVED OCT 10 1958		
DATE	INITIALS	CODE
		~~400~~
		800

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, OME Field Team, Region III

Subject: Contract No. [illegible] (Tin, Columbium-Tantalum, Tungsten)
Contract [illegible], Northwest Defense Minerals, Inc.,
(Rochina Mining District) Lawrence County, South Dakota

Enclosed for purposes of clarification, are the original and four copies of Forms MF-104 and MF-104A, which have been prepared to reflect the costs incurred for transportation of churn drill samples from the Office of Minerals Exploration, Denver Federal Center, Denver, Colorado, to Denver Equipment Company, 1755 Blake Street, Denver, Colorado. Also enclosed are the original and four copies of the local cartage invoice from Bekins Van and Storage Co., dated September 11, 1958.

The obligation was incurred by OME as authorized by the Washington office, by teletype of November 22, 1957, copy of which is enclosed; therefore, payment is to be made to Bekins Van and Storage Co. for the full amount claimed, $42.50. Of this amount, 90 percent is to be charged as Government contribution, and the remaining 10 percent held in suspense as a reimbursable item from the Operator. The amount will be deducted from moneys due the Operator, presently held in suspense, on final settlement of the account.

Following is a recapitulation of the status of project costs to date, with the exception of the transportation costs:

Acceptable costs to date, Phase I------$19,000.00
Acceptable costs to date, Phase II----- 7,837.10
Total acceptable costs to date----$26,837.10

Government participation at 90 percent- 24,153.39
Total Reimbursement to Operator to date 23,867.39

Balance withheld pending final settlement---------- $ 885.70

The above amount withheld is reconciled as follows:

Paid Bekins Van & Storage Co.
$42.50
10/6/58 DMEA 59-46

Government's portion of acceptable cost for 6½ feet of test pit sinking previously disallowed from voucher for the period October 29, through November 23, 1955, but to be reinstated on receipt of analytical results, 90 percent of $156.25 ---------- $140.62

Amount withheld in processing voucher for November 1955, and April 1956 ---------- 100.00

Government's portion of acceptable cost for the period October 4 through November 1, 1957 ------ 645.08

Total amount withheld ---------- $885.70

The amount withheld will be offset by 10 percent, the Operator's portion, of the costs of transportation of churn drill samples. The total cost of transportation of churn drill samples to date is as follows:

Transportation from project site to BPC, payment made August 19, 1958, to Buckingham Transportation, Inc., -------- $537.24

Transportation from BPC to Beaver Equipment Company, payment to be made to Bekins Van and Storage Co., -------- 42.50

Total ---------- $579.74

In addition, project costs will be augmented by the costs of processing and analyzing churn drill samples, the cost of analyzing test pit concentrates, and possible additional allowable costs incurred by the Operator.

Final settlement of the account will be deferred pending the following:

1. Completion of processing of churn drill samples, and analysis of churn drill and test pit concentrates.

2. Receipt of a final report and final accounting from the Operator.

3. Release to this office of a Certificate and Report of Audit, or Report of Review of the reported project costs by an Auditor of the Office of Minerals Exploration.

Enclosures
JBC:hmh
cc: Chem. Op. Comm. (2)
Marshall, CGR/BPC
MF-104 file, Reg. III
Harshman

Cooper
Chron

Original signed by
E. N. HARSHMAN

E. N. Harshman

BEKINS VAN & STORAGE CO.

MOVING · STORAGE · FREIGHT SHIPPING

Offices or Agents in All Principal Cities

SAN FRANCISCO, SACRAMENTO, PORTLAND, TACOMA, OMAHA, SIOUX CITY, CHICAGO, YUMA, OKLAHOMA CITY, SALT LAKE CITY, HOUSTON, SANTA BARBARA, DALLAS, FT. WORTH, PHOENIX, SAN DIEGO, LOS ANGELES, SEATTLE, VANCOUVER, SPOKANE, BOISE, DENVER

1056 SOUTH VALLEY HIGHWAY

DENVER 22, COLORADO

To: Bureau of Mines
224 New Custom House
Denver, Colorado

DATE 9-11-58

INVOICE NO. DER 59 62

Interest charged after 30 days

Please return copy of this invoice with remittance

RE: Local cartage from Denver Federal Center to 1755 Blake Street, Denver 9-3-58		
Cartage Ticket # 14606		
2 Men and Van 4 1/4 hrs @ $10.00 hr	$42.50	
Total		$42.50

ADMINISTRATIVE OFFICE REGION III SEP 15 1958

RECEIVED SEP 15 1958 ADMIN. OFFICE REGION III

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED OCT 10 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Transportation of Churn XXXXXXX Drill Samples XXXXXXX Docket No. DMEA 654X Contract No. 10m-E58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Tantalum, Tungsten

Address Belmont Plaza, Rm. 1011, Lex. Ave., at 49th, N.Y., N.Y.

Contract Amount, $ Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0	1742.50	1742.50			
Bulldozing						
Crosscutting						
Drifting						
Test Pits	0	787.50	787.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	0	2525.00	2525.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil	0	208.85	208.85			
Travel Expense	0	308.92	308.92			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	0	330.00	330.00			
Payroll Taxes						
Liability Insurance						
Meals & Quarters	0	784.98	784.98			
(8) Contingencies (specify):						
Trans. of Samples	42.50	537.24	579.74			
Other	0.00	1141.35	1141.35			
TOTALS	42.50	8374.34	8416.84	42.50	8,374.34	8,416.84

I certify that the above bill is correct and just and that payment therefor has not been received.

Date XXXXX XXXXXX

PREPARED AS A MATTER OF CLARIFICATION

XXX XXXXX

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature L. M. Hershman Title acting Executive Officer Date OCT 1 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings.. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 10 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Transportation of Churn Drill Samples — Docket No. DMEA 654X — Contract No. Idm-E58

Operator's Name Northwest Defense Minerals, Inc. — Minerals Tin, Columbium, Tantalum, Tungsten

Address Belmont Plaza, Rm. 1011, Lex. Ave., at 49th, N.Y., N.Y.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Churn Drilling	ft.			1742.50	348.5	5.00	1600	5.50
Test Pits	ft.			787.50	31.5	25.00	180	25.00
Supervision	Day			2525.00	37	50.00	100	50.00
Travel Exp.				308.92				1000.00
Meals & Qtrs.	Man/Day			784.98	231	3.40	687	8.00
Gas & Oil	Mo.			208.85			3½	100.00
Analyses	Spl.			338.00	6	56.33	89	25.00
Trans. of Samples		42.50		579.74				
Bulldozing				263.50				
Clean Drums				23.50				
Payroll Tax				28.00				
Labor				699.93				
Parcel Post				5.50				
Assay Report				10.00				
Truck Repairs				110.92				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		42.50		8416.84				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date _____ Operator _____

PREPARED AS A MATTER OF CLARIFICATION

XXXX XXXXXX

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

Remarks: Costs reported under "Costs This Month" are for transportation of churn drill samples from the Denver Federal Center to Denver Equipment Company. Payment is to be made directly to Bekins Van and Storage Company for the full amount of $42.50. Of the amount, 90 percent is to be charged as Gov't. contribution, and the remaining 10% held in suspense as a reimbursable item from the Operator, to be deducted from moneys presently held in suspense on final settlement of the account.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED SEP 5 1958		
DATE	[illegible]	CODE
		800

[illegible] New Customhouse
Denver 2, Colorado
Sept. 2, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 65AX (Tin, Columbium-Tantalum, Tungsten) Contract Ida-358, Northwest Defense Minerals, Inc., (Rawlins Mining District), Lawrence County, South Dakota

Enclosed is a copy of a letter dated June 9, 1958, from the subject Operator, which contains a change of address as follows:

Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1811
Lexington Avenue at 49th Street
New York 22, New York.

Please send all checks and related correspondence to the above address until further notice from the Operator.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JBC:hsh
Enclosure
cc: Chem. Op. Comm. (2) } w/copy of
Hershman } Operator's letter
Binyon, DMEA/DPG } of 6/9/58
Corresp. File, Reg. III }
Cooper
Ghren

Copy to file

Belmont Plaza

LEXINGTON AVENUE AT 49TH STREET NEW YORK 22, N.Y. PLAZA 5-1200

June 9, 1958

Administrator,
OMSH
Department of Interior
New Customhouse
Denver, Colorado.

Re: Project
No. OMSH 654,
Mc Adm - 255

Dear Sir:

With reference to a letter from Mr. C.O. Mittinder, Administrator OMSH Washington, D.C., dated May 13, 1958, Mr. Mittinder advised that a transportation company handling the matter of moving the churn drill samples from Northwest Defense Minerals Inc had been delayed because of road conditions. Please be advised that reports from the area indicate road conditions favorable to this type transportation.

Could we therefore proceed as soon as possible and arrange reimbursement for 1957 expenditures.

The above address is our headquarters until further notice.

Yours very truly,
Northwest Defense Minerals Inc
Peggy Keenan Pres

NEW YORK — BELMONT PLAZA · ATLANTIC CITY — THE TRAYMORE AND THE AMBASSADOR · WEST END, N. J. — SAND & SURF
BAL HARBOUR, MIAMI BEACH, FLA. — AMERICANA — OPENING DECEMBER, 1956

224 New Customhouse
Denver 2, Colorado
August 28, 1958

800

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-858, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

In compliance with advice in our teletype to you of this same date, there follow details of bids received for the processing of the churn drill hole sample material, analysis of the concentrates, and analysis of the concentrates from the test pits.

Item No.	Humphreys Engineering Company	Colorado School of Mines Research Foundation, Inc.	Denver Equipment Company
1	$ 6,490.00	$ 10,000.00	$ 4,215.00
2	874.00	4,600.00	1,051.00
3	104.50	400.00	86.00
Totals	$ 7,468.50	$ 15,000.00	$ 5,352.00

The award is being made today to the Denver Equipment Company for the processing of the material and a purchase order issued for the transportation of the material from the Denver Federal Center to their laboratory, the estimated cost of which is $60.00.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:prl

cc: Harshman
Binyon DMEA DFC
Corres. file
Cooper
Charon.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Report 4.

OPERATOR'S MONTHLY REPORT AND VOUCHER

October 4, 1957 through

Month of November 3, 1957 Docket No. DMEA 654 X Contract No. Idm E-58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Tantalum, Gold

Address Spearfish, South Dakota

Contract Amount, $ 29,931. Phase II Government Participation: 90 % Amount, $ 100,000.

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn		1742.50	1742.50			
Bulldozing						
Crosscutting						
Drifting						
Test Pits		631.25	631.25	156.25	Previously disallowed	
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	675.00	1850.00	2525.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil	30.71	178.14	208.85			
Travel Exp.		308.92	308.92			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		338.00	338.00			
Payroll Taxes						
Liability Insurance						
Meals & Quarters	11.04	773.94	784.98			
(8) Contingencies (specify):						
Labor	279.17					
Itemized on MF104 A		1141.35	1420.52			
TOTALS	995.92	6964.10	7960.02	873.00	6964.10	7,837.10

DMEA
DEPARTMENT OF THE INTERIOR
JAN 3 - 1958
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Jan 2 1957 *Payee Northwest Defense Minerals Inc

Per Jack Keenan Title President

*When a voucher is signed for receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

No Payment

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

Withheld 785.70

2nd order

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMEA 58 in accordance with the terms of the contract.

Signature E. Bunyon (#645.08) Title Mining Engineer Date January 21, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Checked for engineering practicability

Signature [illegible] Title Alternate Acting Executive Officer Date AUG 12 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Report 4.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 4, 1957 through Nov. 3 195 7 Docket No. DMEA 654 X Contract No. Idm E 58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Rantalum, Gold

Address Spearfish, South Dakota

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Churn drilling	ft			1742.50	348.5	5.00	1600	5.50
Crosscutting Test Pits	ft			631.25	25.25	25.00	180	25.00
Raising Supervision	day	675.00		2525.00	37.	50.00	100	50.00
Shafts Travel Expense				308.92				1000.00
Winzes Meals & quarters	mO/day							
Drilling: Core		11.04		784.98	231.	3.35	687	8.00
Churn Gas & Oil		30.71		298.85			3 1/2	100.00
Auger Analysis				338.00	6	56.33	89	25.10
Stripping Contingencies Bull doz.				(263.50)				( )
Trenching Clean Drums				(23.50)				( )
Test Pits Payroll tax				(28.00)				(2000.00)
Roads and Trails Labor		279.17		(979.10)				( )
Parcel post				(5.50)				
Assay Report				(10.00)				
TOTAL DISTRIBUTED COSTS Truck repairs				(110.92)				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		995.92		7960.02				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Jan 2, 1957 Operator Northwest Defense Minerals Inc

Per Peggy Keenan Title President

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

E. Bunyon
$279.17 for Labor, not allowed

DMEA
DEPARTMENT OF THE INTERIOR
JAN 3 - 1958
REGION III
DENVER, COLORADO

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

MADE AUG 27 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[redacted]

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	[redacted]
Difference	$	[redacted]
Amount Approved	$	[redacted]

The reason for the difference was due to:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

1. Execution by the parties to the contract of a suitable agreement to terminate the contract in its present status without requiring performance of the balance of work provided for.

2. Processing and analyzing churn drill samples, and analyzing test pit concentrates.

3. Rendering to the Government by the Operator of a final accounting and final engineering and geologic report as required under Article 14, of the contract form.

4. Release to this office of an Audit Certificate and Audit Report, or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

Reconciliation with Amount Reported by the Operator on Form MF-104 for the period, October 4, 1957, through November 3, 1957

Amount reported on Form MF-104 for Oct. 4 - Nov. 3, 1957 ----------	$995.92	
Amount disallowed ----------	279.17	
Acceptable cost for reporting period ----------		$716.75
Amount previously disallowed from October 29 - November 22, 1955, voucher but subject to reinstatement upon receipt of analytical results; 6¼ feet of test pit sinking at $25.00 per foot ----------		156.25
Total acceptable costs ----------		$873.00
Government participation at 90 percent ----------		785.70
Amount withheld ----------		785.70
Balance ----------		0.00

Recapitulation of Amounts Withheld

Amount withheld in processing voucher for November 1955 and April 1956 ----------	100.00
Amount withheld from current voucher ----------	785.70
Total amount withheld to date ----------	885.70

224 New Customhouse
Denver 2, Colorado
August 12, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten) Contract Idm-858, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota, Operator's Monthly Progress Report for the period, October 4, 1957 through November 3, 1957 - (NO PAYMENT)

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the same period.

Except as otherwise indicated below, we consider that the Operator has complied with the terms of the contract and the work is acceptable to the Government. We recommend that the voucher be processed on the following basis, contingent on your verification of applicable rates and arithmetical accuracy of computations and also subject to subsequent audit or review by the Contract Administration and Audit Division, DMEA.

Disallowance, Labor

All of the labor reported on the voucher was expended in connection with the processing of material from the test pits. The Operator has been reimbursed for the maximum allowable unit cost for all test pit work approved to date; therefore, the reported costs for labor are to be disallowed.

Disallow reported cost for labor---------- $279.17

Amount to be Withheld

The entire amount of reimbursement for the Government's share of the acceptable costs for the period, October 4, through November 3, 1957, is to be withheld pending resolution of the following matters:

1. Execution by the parties to the contract of a suitable agreement to terminate the contract in its present status without requiring performance of the balance of work provided for.

2. Processing and analyzing churn drill samples, and analyzing test pit concentrates.

3. Rendering to the Government by the Operator of a final accounting and final engineering and geologic report as required under Article 14, of the contract form.

4. Release to this office of an Audit Certificate and Audit Report, or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

Reconciliation with Amount Reported by the Operator on Form MF-104 for the period, October 4, 1957 through November 3, 1957

Amount reported on Form MF-104 for Oct. 4 - Nov. 3, 1957	$995.92	
Amount to be disallowed	279.17	
Acceptable cost for reporting period	$716.75	
Amount previously disallowed from October 29 - November 22, 1955 voucher but subject to reinstatement upon receipt of analytical results; 6¼ feet of test pit sinking at $25.00 per foot	156.25	
Total acceptable costs		$873.00
Government participation at 90 percent		785.70
Amount to be withheld		785.70
Balance		$ 0.00

Recapitulation of Amounts Withheld

Amount withheld in processing voucher for November 1955 and April, 1956	100.00
Amount withheld from current voucher	785.70
Total amount withheld to date	$885.70

Enclosed are one copy each of a relative letter dated November 21, 1957, from the Chairman, Operating Committee, and Teletype of November 22, 1957, from the Acting Chairman, Operating Committee.

Remarks:

Date of Report----------January 2, 1957 (1958)
Date Received in Field Office----------January 21, 1958
Date Received in Region Office----------March 6, 1958

J. W. TOWNSEND
J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2) } w/copy of complete
DMEA/EFC } report and relative W.O.
MF-104 file, Reg. III) ltr. and TT

Harshman } w/copy of Engr's report, and relative
Cooper } W.O. ltr. and TT
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

BUILDING 20
DENVER FEDERAL CENTER
DENVER 2, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
JAN 22 1958
REGION III
DENVER, COLORADO

January 21, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. O. Binyon

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, South Dakota
Progress report for October 4 - November 3, 1957

According to the operator's report, 15.106 cubic yards of gravel from the Beaver Creek test pit and 7.699 cubic yards from the test pits No. 1 and No. 2 on Bear Creek were washed and concentrated during the subject period. The yardage from No. 1 and No. 2 test pits (Bear Creek) mounted to 3.39 and 4.309 cubic yards respectively.

In checking the MF-104 and MF-104A forms and documentation of expenditures, it is noted that for the $30.71 charged for gas and oil, there are no service station slips and only $9.21 is supported by photostats of cancelled checks and a statement by the engineer that the total amount has expended. It is believed that the expenditure is properly documented and it is recommended that the amount be allowed. The operator has charged $279.17 for labor under the Contingency item and has documented this charge only by a listing of the men, hours worked and pay rates per hour with the total wages. This documentation is certified by the engineer. The labor was used for processing; moving samples from lines to the processing equipment, handling of the samples through the flow sheet for the processing tests and handling of waste and concentrates. There was no need for labor for any other purpose. Under the terms of the Contract, the total prices per foot of $5.50 for churn drilling and $25.00 per foot for test pitting included washing excavated material, concentrating contained tin, tantalum, columbium tungsten, gold and other minerals or metals and separating the face gold from the concentrates. Therefore, the claim for labor although under Contingencies is not allowed and the amount is deducted from the total amount claimed.

As the results of the test are incomplete as of this date, only the amount of gold having been reported, it is suggested that payment for 6-1/4 feet of test pitting (Bear Creek) continue to be withheld.

The Government's share at 90 percent participation of the amount claimed less the charge for labor ($995.92-279.17) or $716.75 amounts to $645.08. It is recommended that the full amount $645.08 be withheld pending receipt of the results of the processing test and a final report by the operator.

The Contract expired October 1, 1956.

E. O. Binyon
Mining Engineer

cc 6
Idm-E58
Chron

EOB:ph

DMEA
DEPARTMENT OF THE INTERIOR
NOV 25 1957
REGION III
DENVER, COLORADO

PROGRESS REPORT #4

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT #654X PROJECT Idm E-58

Placer Gravel Concentration

Commencing October 14, 1957 and lasting through November [illegible], 1957 work was carried on under the supervision of the undersigned. [illegible].805 cubic yards of placer gravel, which had been excavated from test pits on Beaver and Bear Creeks in October and November 1955 was washed and concentrated. This gravel had been stored under cover in bins at the Northwest Defense Minerals Inc., plant in South Dakota. Each bin was measured. The gravel contents of the bins was as follows.

(a)	Balance of Beaver Bedrock Gravel remaining in bin from November 1955 test.	[illegible].181 cu. yd.
(b)	Bin marked Beaver #3	7.[illegible]15 " "
(c)	Bin marked Beaver #2	[illegible].120 " "
(d)	Bin marked Beaver #1	[illegible].540 " "
		15.106 " "
(e)	Bin marked Bear #2	[illegible].309 " "
(f)	Bin marked Bear #1	[illegible].560 " "
		7.6[illegible]9 " "

Mill Process Used to Recover Concentrates

As previously outlined in progress report #1 the undersigned planned to reduce the gravel samples to concentrate form suitable for assaying.

The equipment used in producing the concentrates consisted of the following. Denver Mechanical Gold Pan, with washing section consisting of punched steel plate, 3/8" round holes; 1½" sand pump;

Humphrey Spiral; Denver 4" x 6" Mineral Jig. The Denver Gold Pan was fitted with a 14 mesh shaker screen, which was used as a classifier to supply the minus 14 mesh sand to the Humphrey spiral.

All of the placer gravel stored in the bins was hand shoveled into the Denver Concentrator. A water pump, an integral unit on the Denver Concentrator supplied wash water under pressure. After washing, all plus 3/8" material was hand shoveled to waste. All minus 3/8" sands were concentrated in the Denver machine. The original 1/8" screen supplied with the Denver Concentrator was removed and was not used. This allowed all of the minus 3/8" sands to fall directly onto tray #1. Tray #1 was fitted with a copper tray. No mercury was used on the tray. From tray #1 the minus 3/8" sands passed to tray #2 and then to tray #3. Trays #2 and #3 were bottomed with rough rubber blankets. From tray #3 the minus 3/8" sands were passed over the 14 mesh shaker screen mounted on the discharge lip of the Denver Concentrator. The plus 14 mesh sand, after concentration overflowed to waste. All minus 14 mesh sand was pumped to a full size Humphrey Spiral. The concentrate splitters on the spiral were adjusted to cut a wide band out of the concentrate stream. The rougher spiral concentrates were subsequently re-run over the spiral to reduce the volume of concentrate.

Six runs were made on the stored placer gravel. Each bin was treated as a separate sample. The purpose, to determine the mineral content of the various horizons sampled during the excavation phase of the project. The concentrating machinery was thoroughly cleaned up after each run. The concentrates recovered from each run was placed in wash tubs and was transported to Spearfish, South Dakota.

Each run of rougher Denver Gold Pan concentrates produced weighed approximately 100 pounds. At Spearfish, where city water and electricity was available it was possible to finish the concentrating under more favorable conditions than at the Northwest Defense Minerals Inc., mill. At Spearfish the samples were hand fed to a 4" x 6" Denver Mineral Jig. Each run produced a quantity of hutch concentrate as well as a jig bed concentrate. After each run the jig bed was panned, the steel shot bedding being removed with a magnet. The heavy minerals remaining after panning were labeled jig bed concentrates.

Each jig concentrate sample was bottle and pan amalgamated to recover the free gold values.

The following table gives the weights of the concentrates produced.

Sample	Measured yds placer gravel	Concentrates produced				
		Jig hutch grams	Jig bed grams	Spiral pounds	Gold mg.	gold value Cu. yd.
Beaver Bedrock	[illegible].121	1[illegible]1	[illegible]	1[illegible].75	700.6[illegible]	$ 3[illegible] 3/10
Beaver #3	7.115	752.5	2[illegible].8	130	1[illegible].4[illegible]	17 8/10
Beaver #1	8.210	321.2	260.1	7[illegible].5	663	17 4/10
Beaver #1	2.5[illegible]0	508	1[illegible]8	[illegible]5	[illegible]4	13 5/10
Bear #2	4.309	1158.5	693	108	1[illegible].6	3 55/100
Bear #1	3.89	[illegible]55.0	313.5	1[illegible]7	174	5 14/100

Observations

Periodic pan tests were made of the tailings to check the recovery of concentrates. No visible black sand was observed in the tailings.

The feed to the Denver Concentrator was approximately ½ cubic yard per hour. This is well below the rated capacity of the machine which is rated at 1 1/2 to 2 yards of bank run gravel per hour. It was deemed

advisable to maintain the feed at a low level to insure adequate washing and concentrating action. The Beaver and Bear gravels contain a high percentage of fine sands as compared with other Black Hills placer gravels tested by the undersigned.

Of interest is the fact that approximately 75% of the gold recovered had been previously amalgamated with mercury. Considerable tramp metal consisting of tacks, nails, small pieces of wire, bolts, nuts, lead shot, bullets, and miscellaneous bits of metal was recovered during the concentrating tests.

This indicates that prior work has been done in the area. It is assumed that the large quantity of heavy black sand contained in the Beaver and Bear creek gravels is responsible for the high gold loss by the early day hand shovel and sluice box operators. No attempt to recover the minerals contained in the heavy sands was made by the early pioneers. Their interest was only for the placer gold contained in the stream gravels.

Beaver Creek Test Pit

15.106 cu. yd. of gravel was concentrated during the October 1957 test. 3[illegible]0.[illegible] mg. of free gold was recovered by amalgamating the concentrates. Estimating the value at [illegible]1.00 per gram, the value would be $3.[illegible] or [illegible]6¢ per cubic yard.

Bear Creek Test Pit

7.699 cu. yd. of gravel was concentrated during the October 1957 test. 3[illegible]8.6 mg. of free gold was recovered. Assuming the same value per mg. the total value would be 3[illegible] 86/100 ¢ or 4 17/100¢ per cubic yard.

Samples

After amalgamation all jig samples were dried and weighed, rolled on a paper sheet and were split into equal parts. One half of each sample will be retained for assay by Northwest Defense Minerals Inc; the other half to be sent to the D. M. A. agency. All concentrate samples were placed in polyethylene clear plastic bags. Identification tags were placed inside of each bag. All bags were also tagged externally. The free gold samples were also equally split as near as possible and placed in individual glass vials. Each vial was tagged for identification.

The Humphreys spiral samples saved for assay and submitted to Northwest Defense Minerals Inc. and D. M. A. weigh 500 grams each. Approximately 700 pounds of spiral concentrates were produced from all six test runs. Representative splits were made from each run and should represent the values contained therein.

R. M. Atwater Jr.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DMEA
DEPARTMENT OF THE INTERIOR
NOV 25 1957
REGION III
DENVER, COLORADO

NOV 21 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, Columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Harshman:

This refers to our teletypes, dated November 5 and 15, 1957, regarding the action to be taken in connection with the subject project.

Please advise when the excavated material from all drill holes and the sample splits recovered from all the test pits have been delivered to the Government. When the material is delivered, we propose to draft a termination agreement in which there will be included an extension of time (until November 1, 1957) to complete the processing of excavated material from the test pits; also, a period of four months, or until March 1, 1958, will be allowed to complete the analyses of the sample splits recovered from the test pits.

In the meantime, please proceed to process the Operator's MF-104 and MF-104A for the work performed, but you should not make any payment for the work until the termination agreement is signed by the Operator. Also, in this connection, you should withhold funds for the Operator's final report.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Gulogoard
Member, Geological Survey

P. B. A. TELETYPE CENTER
NOV 22 3 25 PM '57
DENVER, COLO.

WYB071-DN WAF 35 I-BOM

WASHINGTON DC 11-22-57 1650R

E N HARSHMAN ACTING EXECUTIVE OFFICER DMEA FIELD TEAM

REGION 3 224 NEW CUSTOMHOUSE BLDG DN

REURPHONE CALL MARTIN NOVEMBER 21, DMEA 654 NORTHWEST DEFENSE MINERALS INC. TTHIS AUTHORIZES FIELD TEAM TO TRANSPORT FROM PROPERTY TO QUALIFIED INDEPENDENT LABORATORY EIGHTY DRUMS OF MATERIAL EXCAVATED FROM DRILL HOLES. ALSO TO PROCESS MATERIAL AND ANALYZE ONE COMPOSITE CONCENTRATE SAMPLE FROM EACH DRILL HOLE AS IS DESCRIBED IN SAID CONTRACT. CHARGE ALL EXPENSE FOR THE WORK TO PROJECT CONTRACT ACCOUNT. SUGGEST OBTAINING APPROPRIATE BIDS FOR WORK FROM COLORADO SCHOOL OF MINES, SOUTH DAKOTA SCHOOL OF MINES, DENVER EQUIPMENT COMPANY, AND HUMPHREY EQUIPMENT COMPANY. REURMEMO NOVEMBER 18 GOVERNMENT WILL CONTRIBUTE TO COST OF ANALYZING ONLY ONE COMPOSITE CONCENTRATE SAMPLE FROM EACH TEST PIT. PLEASE FOLLOW INSTRUCTIONS OURLET NOVEMBER 21 REGARDING PAYMENT

W S MARTIN ACTING CHAIRMAN OPERATING COMMITTEE

21 DMEA 654 18 21

FAC 1654R

11/22/57
Copies distributed to:
Harshman
DMEA/DFC (Bingon)
Townsend

8cc

224 New Customhouse
Denver 2, Colorado
August 27, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1611
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Form MF-104, Operator's Monthly Report and Voucher, for the period from October 4, through November 3, 1957, is being processed. No reimbursement is made at this time for the following reasons:

Disallowance, Labor

The labor reported for the period was expended in processing material from the project test pits. All acceptable test pit work to date has been reported previously at the maximum allowable cost of $25.00 per foot, which includes all allowable costs for processing the test pit material. Therefore, the reported cost for labor is disallowed.

Amount Withheld

Reimbursement to Northwest Defense Minerals, Inc., for the Government's share of the acceptable costs for the period is withheld pending resolution of the following matters:

1. Execution by the parties to the contract of a suitable agreement to extend the contract completion date to cover the work performed during the period, and to terminate the contract, without requiring performance of the balance of work provided for.

2. Transporting, processing and analyzing the churn drill samples and analyzing the balance of the test pit concentrate. This work is to be performed under the direction of the Government, and the Government reimbursed by Northwest Defense Minerals Inc., for the Operator's pro rata share of the cost of the work.

3. Rendering to the Government by Northwest Defense Minerals, Inc., of a final accounting and final engineering and geologic report as required under Article 14 of the contract form.

4. Release to this office of an Audit Certificate and Audit Report, or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

The churn drill samples have been transported from the project site to the Defense Minerals Exploration Administration, Denver Federal Center, Denver, Colorado, by Buckingham Transportation, Inc., at a cost of $537.24.

The Operator's pro rata share of this cost, as well as other costs indicated under item 2, above, is reimbursable to the Government by Northwest Defense Minerals, Inc., and will be deducted from moneys withheld from reimbursement to Northwest Defense Minerals, Inc., when final settlement is made, provided sufficient funds remain in suspense to cover the Operator's portion of the costs.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Binyon, DMEA/DFC
Corres.file, Reg. III
Cooper
Chron

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Transportation of Churn ~~Drill Samples~~ ~~Bonanza~~ Docket No. DMEA 654X Contract No. Idm-E50

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium,

Address Belmont Plaza, Rm. 1011, Lex. ve. at 49th, N.Y., N.Y. Tantalum, Tungsten

Contract Amount, $ Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		1742.50	1742.50			
~~Bonanza~~ Test Pits		631.25	631.25			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services		2525.00	2525.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil		203.05	203.05			
Travel Expense		300.02	300.02			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		333.00	333.00			
Payroll Taxes						
Liability Insurance						
Meals & Quarters		784.98	784.98			
(8) Contingencies (specify): Trans. of Churn Drill Spls. from Project to Denver	537.24		537.24			
Other		1141.35	1141.35			
TOTALS	537.24	7672.85	8210.09	537.24	7837.10	8,374.34

I certify that the above bill is correct and just and that payment therefor has not been received.

Date ..... *Payee .....

PREPARED AS A MATTER OF CLARIFICATION

~~XXXX~~ ~~XXXX~~

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 537.24

Signature .....
(Authorized Certifying Officer)

Date 8/19/58 Vou. No. DMEA - 59 - 1

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Alternate Acting Executive Officer Date AUG 12 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Transportation of Churn Drill

Month of Samples 195 Docket No. DMEA 694X Contract No. Tdr-250

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium,

Address Belmont Plaza, Rm. 1011, Lex. Ave. at 40th, N.Y., N.Y. Tantalum, Tungsten

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drilling Churn Drill.	ft.			1742.50	340.5	5.00	1600	5.50
Excavating Test Pits	ft.			631.25	25.25	25.00	100	25.00
Training Superv.	day			2525.00	37	50.00	100	50.00
Shop Travel Exp.				308.92				1000.00
Miscellanea & Qtrs. Man/day				734.00	231	3.40	637	3.00
Drilling Fuel Gas & Oil	Mo.			200.05			32	100.00
Assay Analyses	Spl			330.00	6	56.33	99	25.00
(Trans. of Samples		537.24		537.24				
Stripping Bulldozing				263.50				
Purchase Clean. drums				23.50				
Test Pits Payroll tax				23.00				2000.00
Bodgers Truck Labor				601.93				
Parcel Post				5.50				
Assay report				10.00				
Truck repairs				110.02				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		537.24		8213.00				

Continuation

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date ..... Operator .....

PREPARED AS A MATTER OF CLARIFICATION

Per ..... Title .....

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Remarks: Costs reported under "Costs This Month" are for transportation of Churn Drill samples from project site to DMEA in Denver. Payment to be made directly to Buckingham Trans. Inc., for the full amount of $537.24. Of the amount, 90% is to be charged as Gov't. contribution, and the remaining 10% held in suspense as a reimbursable item from the Operator, to be deducted from moneys presently held in suspense, on final settlement of the account.

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION
MADE AUG 20 1958

224 New Customhouse
Denver 2, Colorado
August 12, 1958

S/26 Ctnr 100
800

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., Rawlins Mining District) Lawrence County, South Dakota

Enclosed for purpose of clarification, are the original and four copies of Forms MF-104 and MF-104A, which we have prepared, to reflect the costs incurred for transportation of 15,830 pounds of churn drill samples in their metal containers from the project site, to the Defense Minerals Exploration Administration, Denver Federal Center, Denver, Colorado, by commercial bill of lading which was converted to Government Bill of Lading No. 220954, which is attached to the original of Forms MF-104 and MF-104A.

The obligation was incurred by DMEA as authorized by the Washington Office, by teletype of November 22, 1957, copy of which is enclosed; therefore, payment is to be made to Buckingham Transportation, Inc., for the full amount claimed, $537.24. Of this amount 90 percent is to be charged as Government contribution, and the remaining 10 percent held in suspense as a reimbursable item from the Operator. The amount will be deducted from moneys due the Operator presently held in suspense on final settlement of the account.

Following is a recapitulation of the status of project costs to date, with the exception of the transportation costs:

Acceptable costs to date, Phase I----------	$19,000.00
Acceptable costs to date, Phase II----------	7,837.10
Total acceptable costs to date----------	$26,837.10
Government participation at 90 percent-------	24,153.39
Total reimbursement to Operator to date------	23,267.59
Balance withheld pending final settlement----------	$ 885.70

The above amount withheld is reconciled as follows:

Government's portion of acceptable cost for 6¼ feet feet of test pit sinking previously disallowed from voucher for the period October 29, through November 23, 1955, but to be reinstated on receipt of analytical results, 90 percent of $156.25-------- $140.62

Amount withheld in processing voucher for November 1955, and April 1956---------- 100.00

Government's portion of acceptable cost for the period October 4 through November 3, 1957---------- 645.08

Total amount withheld----------$885.70

The amount withheld will be offset by 10 percent of $534.24, the Operator's portion of the transportation costs. In addition, project costs will be augmented by the costs of processing and analyzing churn drill samples, the costs of analyzing test pit concentrates, and possible additional allowable costs incurred by the Operator.

Final settlement of the account will be deferred pending the following:

1. Execution of a suitable agreement to effect termination of the contract.

2. Processing of churn drill samples and analysis of churn drill and test pit concentrates.

3. Receipt of a final report and final accounting from the Operator.

4. Release to this office of an Audit Certificate and Audit Report, or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JBC:hmh

cc: Chm. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. III
Harshman
Cooper
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DMEA
DEPARTMENT OF THE INTERIOR
1957
REGION III
DENVER, COLORADO

Nov. 21, 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, Columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Harshman:

This refers to our teletypes, dated November 5 and 15, 1957, regarding the action to be taken in connection with the subject project.

Please advise when the excavated material from all drill holes and the sample splits recovered from all the test pits have been delivered to the Government. When the material is delivered, we propose to draft a termination agreement in which there will be included an extension of time (until November 1, 1957) to complete the processing of excavated material from the test pits; also, a period of four months, or until March 1, 1958, will be allowed to complete the analyses of the sample splits recovered from the test pits.

In the meantime, please proceed to process the Operator's MF-104 and MF-104A for the work performed, but you should not make any payment for the work until the termination agreement is signed by the Operator. Also, in this connection, you should withhold funds for the Operator's final report.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Comes file

Copies sent to
Harshman
Towers
DMEA, FC

224 New Customhouse
Denver 2, Colorado
August 6, 1958

(VIA AIR MAIL)

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, N. Y.

Re: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota

Dear Miss Keenan:

In preparation of the bid invitation for the beneficiation of the material from the churn drill holes and analysis of concentrates therefrom, it has come to our attention that the holes in the Bear Creek Area were drilled several feet into the bed rock for some not presently apparent reason.

Subsequent test pits sunk in the area indicated the bed rock to be from 6-1/4 feet to 7 feet in depth. Therefore, in processing the material from the holes in the Bear Creek Area, only the material from the sample intervals of 0 to 6 feet and 6 feet to 12 feet will be concentrated. The material from each interval will be concentrated separately and analyzed for content of tin, columbium-tantalum, tungsten, and gold.

Should you have use for the remaining portion of the Bear Creek drill hole samples, they will be returned to the project, provided you agree to payment of 10 percent of the transportation costs.

Since you have failed to have the concentrates from the test pit material analyzed as provided for in the contract, we will proceed to have the Government's portion of the concentrates forwarded by you analyzed and the costs thereof will be charged to the project. It is to be understood that the Operator must bear its proportionate share of the expense of the analysis of test pit concentrates as provided for in the contract.

JWT:prl
cc:Chmn.Op.Comm.-2 (via air mail)
Harshman
DMEA/DFC-Binyon
Corres.
Cooper
Chron.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

224 New Customhouse
Denver 2, Colorado
August 4, 1958

800

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, N. Y.

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. Ida-858, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of July 24, 1958, regarding the proposed TERMINATION AGREEMENT and reimbursement for work performed to date.

In the matter of the Termination Agreement, we will further advise you in a few days regarding an extension of the termination date.

Concerning reimbursement to you on work performed to date, when the Termination Agreement has been signed and returned to this office, we will then be in a position to process your accounting report covering the period from October 4, 1957 through November 5, 1957. A tentative review of the report indicates that a part of the expenses claimed are not allowable under the provisions of the contract. Reimbursement on the balance of about $700.00 will not be made until the following have been accomplished:

1. Receipt in this office of the results of analyses of the concentrates from processing the test pit material.

2. Until the churn drill sample material has been processed and the concentrates analyzed, in order to determine the extent of the Operator's portion of the costs of processing and analyses.

3. Until the Operator has submitted its final report in conformance with Article 14 of the contract form; five copies of the report now being required instead of the four noted in Article 14.

4. Until the Operator's accounts have been audited by a DMEA auditor and a Report of Audit released to this office. The audit cannot be scheduled until all matters under items 1, 2, and 3 above have been resolved.

Further in regard to reimbursement on costs of work performed, it is the policy of this office that a minimum of $500.00 of reimbursement to the Operator is deferred pending receipt of the Operator's final report. In this particular case, it is necessary that sufficient additional funds be withheld from reimbursement to you on work completed to offset the Operator's portion of transportation, processing, and analysis costs of the churn drill sample material. Any amounts above what we consider is necessary for these purposes, which become due and payable to you, you can be assured that reimbursement will be made.

We trust that this will answer your inquiries of July 24. If not, we will attempt further clarification.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC(Binyon)
Corres. file
Cooper
Chron.

224 New Customhouse
Denver 2, Colorado

January 23, 1958

EXTRA COPY
DMEA
RECEIVED
DATE | CODE
800

Buckingham Transportation, Inc.
Rapid City
South Dakota

Re: Docket No. DMA 654X
Contract No. Idm-E58
Northwest Defense Minerals, Inc.

Gentlemen:

Reference is made to your letter of January 21, 1958 in reply to our letter of January 17 concerning the transporting of material from the Northwest Defense Minerals, Inc. property at Tinton, South Dakota to the Denver Federal Center, Denver, Colorado.

As an expedient in obtaining the material in question, you are authorized to make the necessary trips with a small transportation unit from the place of storage of the material to where it can be loaded on a larger unit for transportation to Denver, it being understood that the use of the smaller unit will increase the cost somewhat over the normal freight rate from Tinton to Denver, Colorado.

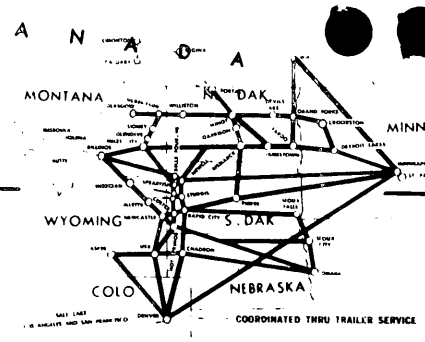
Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chmn.Op.Comm.-2) w/copy of
Harshman) Buckingham
DMEA/Dfc(Binyon)) Transportation,
Townsend) Inc. letter of
Corres. file) January 21.
Chron.



SHIP BY TRUCK. CALL BUCK!

BUCKINGHAM TRANSPORTATION, INC.

GENERAL OFFICES RAPID CITY, SOUTH DAKOTA FILLMORE 2-2700

PLEASE ADDRESS REPLY TO ATTENTION OF UNDERSIGNED AT

Rapid City, South Dakota
January 21, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JAN 2 - 1958
REGION III
DENVER COLORADO

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region III
United States Department of Interior
New Customhouse
Denver 2, Colorado

Re: Docket No. DMA 654X
Contract IDM-E58
Northwest Defense Materials, Inc.

Dear Mr. King:

We are in receipt of your letter dated January 17 regarding the above shipment which is at Tinton, South Dakota. Our Company is very anxious to get this shipment out for you; however, the conditions have not improved since our last contact with you. As things look now it would be impossible to get a unit to the site for loading which could take the entire shipment at once, and possible would not be able to get in until this Spring.

There is one other solution to getting the shipment out, however, and this would be to run several trips with a smaller unit. In this case we would have more expense which would have to be charged against the transportation. It would probably involve an extra $100 over the regular freight rate from Tinton to Denver, Colorado.

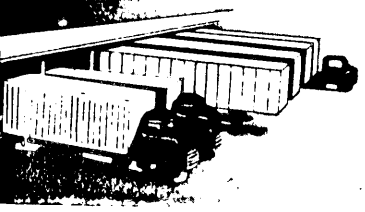
Would you advise by return mail what your pleasure would be regarding the shipment as outlined above.

Yours very truly,

James L. Peterson

James L. Peterson
Local Office Manager

JLP:zt



MEMBER UNITED FREIGHT SYSTEM

RA COPY
D M E A
RECEIVED

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
January 17, 1958

Buckingham Transportation, Inc.
Rapid City
South Dakota

Re: Docket No. DMA 654X
Contract Idm-558
Northwest Defense Minerals, Inc.

Gentlemen:

On or about November 25, 1957, Mr. B. O. Binyon, of this office, made arrangements with you for the transportation of certain barreled samples from the Northwest Defense Minerals, Inc., property, to the Defense Minerals Exploration Administration, Building 20, Denver Federal Center, Denver, Colorado, for which you issued a Uniform Straight Bill of Lading, dated November 25, 1957.

We were given to understand that an attempt was made at the time of Mr. Binyon's visit to load the material, which is to be transported; however, because of snow conditions at the project, the loading could not be accomplished at that time, and promises were given that the material would be loaded and transported to the Denver Federal Center as soon as possible.

Since considerable time has elapsed and the material has not been received we will appreciate advice as to the status of the matter and the approximate date the material can be expected.

Yours very truly,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

JWT:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Binyon)
Townsend
Corres.file, Reg.III
Chron

CODE
800

224 New Customhouse
Denver 2, Colorado

January 6, 1958

CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract No. Idm-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of December 30, 1957, whereby you forwarded five copies of Forms MF-104 and MF-104A for the period October 4 through November 3, 1957, and included nine cancelled checks as documentation of charges for which you requested receipts.

The cancelled checks submitted do not in themselves contain sufficient information to be acceptable as documentation of charges for Gas and Oil, Meals and Quarters, and Labor. Therefore, the nine cancelled checks are returned herewith.

Charges for "Gas and Oil" must be documented by station delivery slips showing quantities involved, and the whole must be supported by a statement from the Project Supervisor as to the purpose for which the supplies were used to benefit the project work.

Charges for "Meals and Quarters" must be documented by an itemized listing, supported by a certification from the Project Supervisor that the charges were a necessary cost in performing the project work.

Charges for "Labor" must be documented by a transcript of the payroll, showing the days worked and the hourly or daily rate of pay. Also, the transcript of payroll must be certified by the Project Supervisor as being correct and constituting charges for work on the project.

When the required documentation is received, the Report and Voucher will be placed in line for processing.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

Enclosures: Nine cancelled checks

JWT:prl

cc: Chmn. Op. Comm. (2)) w/photo copy of Operator's
Harshman) letter o December 30
DMEA/DFC (Binyon)) and nine cancelled checks.
Corres. file)
Cooper)
Townsend
Chron.

224 New Customhouse
Denver 2, Colorado

November 27, 1957

800

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket DMEA-654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of November 12, 1957, in which you inquire as to whether Northwest Defense Minerals, Inc. will be reimbursed for the expense of assaying concentrates from the test pits.

Reimbursement will be made for the Government's percentage of the allowable cost for analysis of one combined concentrate sample from each test pit, in conformance with the provisions of Amendment No. 14 to the contract.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JDC:jy

cc: Chm. Op. Comm. (2)
Harshman
DMEA,DFC
Townsend
Corres. file
Chron.

800

224 New Customhouse
Denver 2, Colorado
November 15, 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of November 11, 1957, requesting information regarding preparation of Forms MF-104 and MF-104A covering the work recently completed by Northwest Defense Minerals, Inc.

The amounts to be carried over from 1958 can be determined by deducting the net amount disallowed from the total amount reported for each item of work under Phase II. The total costs reported on the two forms must be in agreement.

We cannot verify any cost figures for Phase II at this time as this can be accomplished only by an audit or review of the reported project expenditures by the Contract Administration and Audit Division, DMEA.

Yours very truly,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Townsend
Corres.file, Reg.III
Chron
) w/copy of Operator's letter of 11/11/57

NOV 12 1957
REGION III
DENVER, COLORADO

Northwest Defense Minerals, Inc.
Spearfish, South Dakota
Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

Nov 11, 1957

Mr. E. N. Harshman,
Acting Executive Officer
DMEA Field Team, Region III
U. S. Department of Interior
Denver, Colorado.

Re
Project
DMEA, Idm E58,
654X.

Dear Mr. Harshman:

The Northwest Defense Minerals, Inc. is in process of documenting the Operators M7 104 104A, from the records, to be submitted to your office for reimbursement. Will you please refer to our M7 104 and 104A dated April 21, 1956 and April 26, 1956 and verify whether we should use these records to carry our records forward from 1956 to 1957?

Our April 21, 1956 M7 104 shows a total expenditure to date of $7686.52 on Phase II, - is this figure correct and should we use it on our current M7 104?

Thanking you for your courtesy,

Yours very truly,
Northwest Defense Minerals, Inc.
Jerry Keenan, President

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

October 23, 1957

Mr. C. O. Mittendorf, Administrator
D. M. E. A.
Rare and Miscellaneous Metals and Minerals
Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

The Northwest Defense Minerals, Inc. has processed and concentrated all of the 1955 excavated gravels recovered from the Caissons in Beaver Creek and Lower Bear Creek, 70 Flats. The jig and Humphrey Spiral Concentrates recovered from each horison, plus the balance of bedrock gravels from Beaver are in process of drying and weighing. The one half of each recovered sample will be delivered to the Rapid City office of the Bureau of Mines, c/o Mr J. M. Riley, this week. The Engineer's documentation and report will follow soon after.

The Corporation has expended approximately $1,054.00 for Engineer, labor, gas, oil, transportation and food. The Board of Directors have advised that they have expended the limit of funds available and to advise the DMEA that as soon as the Corporation is reimbursed for the expenditures they will advise us to proceed to use these funds to process the materials also stored in our mill which were excavated from Beaver and Bear in 1955 by Churn drill.

Will you therefore advise exactly how to handle the documentation for reimbursement, We wish to cooperate.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

(S)

Peggy Keenan, President

cc: Mr. James Everett Bacon

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR

JUN 1 8 1956

DMEA
14X4401(01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to the
Office of the Secy.)

Mr. Robin
Mr. Hanson

Confirmation to Region III
Messrs. A. Rudick, Jr. 3-5
THEllingford, Jr. 3-5
Mr. Chambers

TELETYPE

W. M. BRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
[illegible] NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERENCE JUNE 12 DMEA-[illegible] NORTHWEST DEFENSE MINERALS, INC. SAMPLING AND ANALYTICAL PROCEDURE. ATTACHMENT NO. 3 REQUIRES AN ANALYSIS OF THE CONCENTRATE RECOVERED FROM EACH DRILL HOLE AND TEST PIT COMPLETED FOR TIN, TUNGSTEN, TANTALUM AND COLUMBIUM. LATER ASSESSMENTS INDICATED CHANGES IN RATIOS OF RECOVERED CONCENTRATES AND NOT CHANGE IN ANY WAY THE REQUIREMENTS FOR ANALYSIS. THEREFORE, THE ANALYTICAL WORK DESCRIBED AND APPROVED IN BIRLEY'S MEMORANDUM, DATED MAY 10 AND 11, TO YOU AND IN YOUR MEMORANDUM OF JUNE 12 TO THE OPERATING COMMITTEE ARE NOT IN ACCORDANCE WITH THE INTENT OF THE CONTRACT. OPERATOR INFORMS US OVER PHONE THAT BIRLEY AUTHORIZED THE ANALYTICAL WORK LISTED IN THE ABOVE-DESCRIBED MEMO. THE ACCURACY OF THE OPERATOR'S STATEMENT SHOULD BE VERIFIED AND THE OPERATOR SHOULD BE INFORMED OF THE REQUIREMENTS OF THE CONTRACT CONCERNING ANALYTICAL WORK AS DISCUSSED IN TELEPHONE CONVERSATION WITH BRAVER ON JUNE 18. IF DISPUTED ANALYSES ARE NECESSARY AS PART OF PROJECT WORK PLEASE FURNISH A JUSTIFICATION SO THE NECESSARY AMENDMENT CAN BE PREPARED HERE.

W. S. Martin

ACTING CHAIRMAN, OPERATING COMMITTEE

cc to: Dunkel
Code 700
Admin's Reading File
Operating Committee

6-95 (Revised)
(April 1955)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	Mr. J. L. Chambers, Chief	
2.	Contract Administration and	
3.	Audit Division, DMEA	
4.		
5.		

For:

---------- Action	---------- Record of ----------
---------- Approval	---------- Referring to ----------
---------- Comment	---------- Reply for signature of ----------
---------- Conference	---------- Rewriting
---------- Consideration	---------- See or call me
---------- Filing	---------- Signature
---------- Initials	---------- Suggestions
---------- Instructions	---------- Surname
---------- Investigation	---XX---- Your information
---------- Mailing	
---------- Note and return	
---------- Previous correspondence	
---------- Recommendation	

Remarks:

Thought you would be interested in the attached newspaper clipping from The Denver Post of February 8, 1957.

T H Brading

From *(Name)*

T. H. Brading, Auditor Date February 11, 1957

Division—Office—Address

Ext: Room:

U. S. GOVERNMENT PRINTING OFFICE 16—71726-1

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/14/57

REFERRED TO:

1. Code ~~100~~
2. ~~110~~
3. ~~120~~
4. ~~[illegible]~~ 800

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	X Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: .....

Check (X) before the items needing attention.

800
Initials of sender.

GPO 16—63815-1

Woman Pianist, Now Mine Magnate, Tunes Up at Convention

Denver Post Photo

PEGGY KEENAN

Adds color to mining confab.

By ROBERT TONSING
Denver Post Staff Writer

Peggy Keenan, who traded a career as a New York concert pianist for the presidency of a $1 million mining corporation in Spearfish, S. D., is busy absorbing technical data here at the National Western Mining Conference.

Miss Keenan, who once made her living as a radio pianist and on the concert trail in New York and the west coast, is one of the more colorful figures at the conference, but she's a far cry from the grizzled old miners who used to corner the "color" at the meetings.

"I was perfectly happy as a pianist," she said Friday, "but in 1948, I heard about some promising claims for sale in the northern Black Hills. I hired an engineer, and when his report came back with highly favorable data on several different minerals, I bought it. And I used my own money, too."

Since that time, Miss Keenan said, she obtained mineral rights on five other areas in the Black Hills, and in 1954 she used her holdings for the nucleus of a new $1 million corporation—Northwest Defense Minerals, Inc.

She's given up her piano career almost entirely now and has taken up full-time residence in Spearfish.

"It's about an 18-hours-a-day operation, this being president of a mining corporation," she said.

So far, Miss Keenan admitted, her company hasn't turned out its first dollar of revenue. But that's simply because it is still in the development stage and won't move into the production phase of the business for several more months.

"On our first claim alone," she said, "we have known ore deposits including $1,703,400 worth of columbium and tantalum at present market rates, $2,498,880 in tin ore, $673,000 in tungsten and $700,000 in gold.

"But of course we still have to produce it. You never know quite for sure how well you're going to do until the mining starts."

She said everything's in the form of alluvial deposits. Stream beds will be worked almost exclusively by the company.

She said her switch to the mining business was far from a blind jump.

"My father, many years ago, mined a little gold in the Leadville area in Colorado. He took his profits and went to California, where he developed oil fields and a few Sierra Nevada mines. He did quite well in the business.

"I was always interested in mining, and even after I became a pianist I was quite a rock hound."

Before 1957 is over, Miss Keenan said, she may add yet another facet to her already-eventful life.

She may become the first woman to visit the North Pole.

"My husband, John F. Stanwell-Fletcher, is primarily an explorer. He is planning an arctic trip later this year. It isn't certain that I'll go, but if I do I may be the first woman actually at the North Pole."

CITY CLUB TO HEAR WILSON

Dr. Val H. Wilson, president of Colorado Woman's College, will speak on "The Aims of Education" before the noon Tuesday luncheon of the City Club at the Brown Palace Hotel.

Buick Owners
Porcelain your car now to permanently preserve and enhance the finish.
Dowden Buick, Inc.
Colfax at Lincoln. KE. 4-3276

Where was chess invented?

Ask Andy

Andy sends a complete, 15-volume set of "Compton's Pictured Encyclopedia" to Nathan Goodwin, Jr., age 15, of Omaha, Neb., for his question about chess.

Chess has been played for hundreds of years. A good deal of time has been spent on tracing the history of the game. Some of the theories set forth about its invention have been very fanciful and exaggerated. There are some people who say it started four or five thousand years ago. And there are various arguments that it began in Persia, Rome, India, Greece, Egypt or Babylon.

taking the game of chess to Spain. The rest of Europe may have learned it from the Spanish Moors or they may have learned it when they went east on the crusades. In any case, by now the wonderful game is played all over the world and everyone agrees to play it by the same rules. Don't think that this game of games is for adults only. Some of the real champs are young people. And chess was the favorite game of a girl named Alice who spent two fascinating afternoons in Wonderland.

✦ ✦ ✦

Andy sends a "Hammond Ambassador World Atlas" to Rich-

MR. FIXIT

Q.—Did Booth Tarkington write all his novels and plays by hand?—L. R.

A.—Until he lost his eyesight he wrote everything by hand, on violently yellow paper, hunched over a drawing board for 12 to 14 hours at a stretch. Although he regained sight in one eye, he had to dictate his later work.

Q.—When did natural-born American Indians become citizens of the United States?—J. B.

A.—By act of congress, June 2, 1924.

Q.—In connection with atomic bomb explosions one often sees the term "ground zero." What does it mean?—E. S.

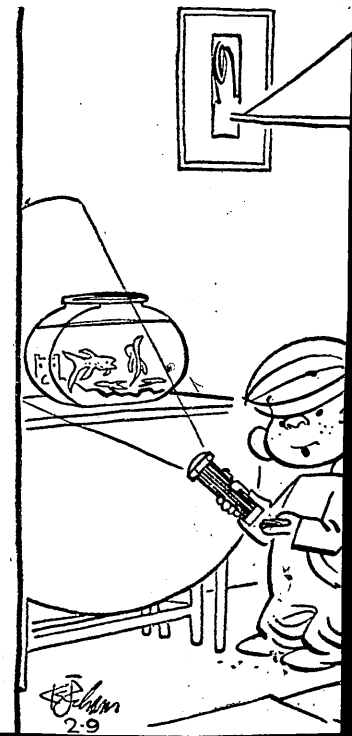
A.—The point on the ground which lies directly under a bomb explosion. This is the focal point

A.—Since both -er and -or endings are pronounced the same, pronunciation gives no guide, and the accepted spelling must simply be learned or looked up in a dictionary. Usually, nouns formed from English verbs of doing end in -er (painter, thinker); and nouns taken from Latin or French add -or (assessor). A few nouns of agent end in -ar (liar, burglar).

Q.—Isn't it possible that radiation could effect changes for the better in heredity, instead of nothing but harm? S. P.

A.—Harm by radiation-induced mutations in genes is a matter of both fact and theory, according to geneticists. Study has shown that these changes are detrimental in an overwhelming majority. Some

DENNIS THE MENA



Departm[illegible] of the Interior

UNITED STATES DMEA
DEPARTMENT OF THE INTERIOR 14X4401(01) Revolving, Fund
DEFENSE MINERALS EXPLORATIO[illegible] Defense Production Act, Interior (Allocated
WASHINGTON 25, D. C. Working Fund to the Office of the Secy.)

TELETYPE

JUN 1 3 1956

W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

/DMEA-654/

Your telephone conversation 6-12-56, Contract Idm-258. Upon receipt of executed Amendment 13, it appears your suggested amount of $708.00 if properly supported and work has been approved is a fair amount to pay operator, and you are authorized to make payment accordingly. Also the withholding of $249.00 from Operator for completion guarantee should accomplish its purpose.

W. S. Martin
ACTING Chairman, Operating Committee

JLChambers/wb
June 12, 1956

Copy to: Docket
Admr. Reading File
Confirmation to Region III
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers
Operating Committee

Departm[illegible] of the Interior

UNITED STATES DMEA
DEPARTMENT OF THE INTERIOR 1X4401(61) Revolving Fund
DEFENSE MINERALS EXPLORATION ADMINISTRATION Defense Production Act, Interior (Allocated
WASHINGTON Revolving Fund to the Office of the Secy.)

TELETYPE

W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Your teletypes 6-4-56 and 6-6-56, Docket DMEA-654, Contract Idm-258, Northwest Defense Minerals, Inc. Amendment to extend completion period of contract will be sent to Operator. Washington suggests that upon receipt of executed amendment you may release voucher for $799.20 referred to in your teletype 6-4-56, in amount properly supported. This action necessary to get work completed. If you do not have serious objections advise operator on your proposed action upon receipt of amendment.

Chairman, Operating Committee

JLChambers/wb
June 7, 1956

Copy to:Docket
Admr. Reading File
Operating Committee
Confirmation to Region III
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers

This teletype was not sent at request of Mr.Martin. Instead Krouse and I telephone at direction of Martin. Later another set of teletypes was exchanged.

J. L. Chambers

Mr Chambers

COPY

TELETYPE

DN 235 BU MINES 6-6-56 4-12

W.S.Martin, Acting Chairman, Operating Committee, DMEA

REURTT 6-6-56, DOCKET DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSE MINERALS, INC. WE BELEIVE ACCOUNTING RECORDS TO BE IN NEW YORK CITY. IF SO, AUDIT FROM THIS OFFICE APPEARS IMPRACTICAL. HOWEVER IF IT IS OUR OPTION, WE PREFER TO WITHHOLD THE ENTIRE AMOUNT WHICH WILL EVENTUALLY BE DUE THE OPERATOR IN THE AMOUNT OF $939.82 AS PER OUR TELETYPE OF 6/4/56. PLEASE TELETYPE ADVICE IF YOU DO NOT CONCUR IN WITHHOLDING THAT AMOUNT.

W M TRAVER

Per telephone call to Traver (Chambers-Travers) 6/11/56

Department of the Interior

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

14X4401(01) Revolving Fund, Defense Production Act, Interior (Allocate Working Fund to the Office of the Secy.)

T E L E T Y P E

JUN 6 1956

W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Reurtt 6-4-56, Docket DMEA-654, Contract Idm-458, Northwest Defense Minerals, Inc. Amounts should be withheld to cover possible disallowances and to guarantee final report. If the amount is of great concern send auditor and engineer to project to make determination. This office does not have data to answer your question.

W. S. Martin
ACTING Chairman, Operating Committee

JLChambers/wb
June 6, 1956

Copy to: Docket
Admr. Reading File
Operating Committee
Confirmation to Region III
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

April 20, 1956

E-58

Mr. V. N. Traver, Executive Officer
Field Team, Region III
Department of Interior
2th New Customhouse
Denver, Colorado

118 East 40th Street
New York City

Dear Mr. Traver:

Progress Report #3 and MT10A, MT10A1 with Vouchers have been forwarded to Mr. Bizyen.

The Northwest Defense Minerals, Inc. is in receipt of the DMEA Administrative Audit Difference Statement dated April 4, 1956 and the audit has been reviewed.

The check received April 10, 1956, for report 2 claims was $2413.36. According to the Audit Difference Statement, the amount approved so far is $2681.51. There is an amount due according to the record, of $268.15 or the difference between the check and the audit.

100% off Portal

With reference to disallowances, - "Truck Repairs" of $150.09, and "Food Costs" of $115.64, cancelled checks were sent as vouchers in support of expenditures. Are these not vouchers? With reference to the caisson test pit disallowance:

During the report 1 period, September 29 to October 28, 1955, 19 feet was reported excavated @ $25.00 a foot in the amount of $456.25 (see documentation of maps, 7 feet Bear Creek, 12 feet Beaver Creek). This amount was first disallowed, but on the April 4 audit was allowed.

During report 2 period, October 29 to November 22, 1955, a second caisson test pit 7 feet in depth, was excavated by order of Mr. Bizyen, approved by Mr. Atwater. It was excavated upstream from caisson test pit #1 in Bear Creek (see reports 1 and 2). This 7 feet @$25.00 a foot is part of 13.25 feet claimed in report 2. It appears that the 7 feet was allowed on the audit. The balance of the 13.25 feet was 6.25 feet to bedrock in the Beaver Creek caisson in the amount of $156.25 (see maps of report 2). This amount is again claimed.

With reference to mill run potentiometer claims, was allowance for mill run made? We are sending additional vouchers for report 2 mill run process for rentals of equipment and they are included in report 3 MT10A, 10A1.

To summarize claims not paid:

[illegible] feet Beaver Creek test pit	$156.25
Difference on Audit Statement with check received	268.15
Truck repairs covered by check vouchers	159.09
Food costs covered by check vouchers	115.68
Total	$680.17

Will we please have these claims settled as soon as possible?

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.

Peggy Kaufman
President

PK/pm

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 2 - 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Nov. 23, 1955

Month of April 15, 1956, 195..... Docket No. DMEA 654X..... Contract No. Idm E-58.....
Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium
Address Spearfish, South Dakota Tantalum, Tungsten, Gold
Contract Amount, $ 29,931.00 Phase II Government Participation: 90 % Amount, $ 26,937.90

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn		1742.50	1742.50			
Bulldozing						
Crosscutting Test Pit Caisson Costs		631.25	631.25			
Drifting Mill run process	325.12	disallowed	325.12			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	550.00	1300.00	1850.00			
(3) Operating Mat'ls. and Supplies:						
Timber Gas & Oil		178.14	178.14			
Explosives						
Pipe						
Track						
Truck repairs		111.01	111.01			
(4) Operating Equipment:						
Rental not documented						
Insurance in Report 2. Humphrey Spiral	200.00		200			
Depreciation Dorr Classifier	75		75			
Transmissaveen	50		50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous Eng. Trav. Exp.		308.97	308.97			
Repairs to Equipment Cook & Foon		807.94	807.94			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): Assays 6 samples $338.00 copies $10.00	348.00	1058.77	1406.77			
	1548.00	6138.58	7686.58	898.00	6832.03	7730.03
				1 - 765.93		765.93
					6066.10	6964.10
					$ 798.20	

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 21 *Payee Northwest Defense Minerals Inc.

Per Peggy Keenan Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 798.20

Signature RRW
(Authorized Certifying Officer)

Date 6/26/56 Vou. No. DMA-56-127
(See other side)

1 Previous Disallowance

(For Government use only)

For payment of $948.82

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-58 in accordance with the terms of the contract.

Signature E.O. Bingon Title Mining Engineer Date May 10, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Calvert Title Executive Officer Date JUN 25 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Washington Office Copy

~~Two~~ One complete copy including photocopy of Form MT-104 of report sent to W.O. with our memo. of 6-12-56

RECEIVED
JUL 2 - 1956

Requires special transmittal manner to W.O. where processed

~~WMT has Original 6-12-56~~

Dma 56-127

FINAL DISTRIBUTION
MADE JUN 27 1956

RECEIVED
JUL 2 - 1956

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[illegible]
[illegible]
[illegible]

Date: [illegible]
Payee's [illegible]
Reference: _____

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ _____

Explanation: The reason for the difference was due to:

1. [illegible]

2. [illegible]

Remarks: [illegible]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

For RRC
N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUL 2 - 1956

224 New Customhouse
Denver 2, Colorado

June 28, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E52, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota

Enclosed is one complete copy of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period November 23, 1955-April 15, 1956.

Also enclosed is one copy of Form MF-104, Operator's Monthly Report and Voucher. The balance of the data for this set was forwarded by memorandum of June 12, 1956.

W. M. TRAVER

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUL 2 - 1956

224 New Customhouse
Denver 2, Colorado

June 25, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-858, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota - Operator's Monthly Progress Report for the period November 23, 1955-April 15, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the terms of the contract, and the work for which payment is recommended is acceptable to the Government. We recommend that payment be made to the Operator on the following basis contingent on your verification of applicable rates and arithmetical accuracy of computations, and also subject to subsequent audit by the Contract Administration and Audit Division, DMEA.

Disallow 1) an amount of $325.12, the amount claimed under Item (1) "Mill Run Process." The Mill Run Process is an integral part of the test pit work, and payment has been made to the Operator for all presently approved test pitting.

2) an amount of $125.00, the amount claimed under Item (4) "Rental of Humphrey Spiral, Borr Classifier and Trommel Screen." There is no provision in the contract for rental of this equipment, except that the rental may be included as a part of the test pitting cost.

Total Amount Disallowed $450.12

Withheld the amount of $100.00 pending the approval of additional work under the contract, or if no further work is approved by the Government and performed by the Operator, continue to hold the above amount pending resolution of matters relative to closing the account.

Reconciliation with Amount Reported by the Operator on Form MF-194A for the period Nov. 23, 1955 to April 15, 1956

Amount reported on Form MF-194	$1,548.12
Amount disallowed	650.12
Total accepted costs	$ 898.00
Government participation at 90 percent	$ 808.20
Amount withheld	100.00
Balance due the Operator	$ 708.20

Note: Due to an arithmetical error, the "Monthly Total" and "Total to Date" on Form MF-194, and the "Costs this Month" and "Costs to Date" on Form MF-194A are in error by the amount of $0.12. Costs reported for the period on Form MF-194 actually total $1,548.12 instead of $1,548.00 as shown on the form. Payment recommended above is for approved work, the cost of which is documented.

Remarks

Date of Report	April 21, 1956
Date Received in Field Office	May 8, 1956
Date Received in Region Office	May 14, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-194 File E56
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy of engr's report
Cooper
Chron.

Form MF-104 (Rev.)
(April 1952)

DMEA
Date Rec'd.

RECEIVED APR 9 - 1956

Budget Bureau No. 42-R1036.5

MAR 12 1956

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct. 29 to Nov. 22, 195 5 Docket No. DMEA 654X Contract No. Idm E - 58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium-Tantalum, Tungsten, Gold

Address Spearfish, South Dakota

Contract Amount, $ 29931, Phase II Government Participation: 90 % Amount, $ 26,937.90

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		1742.50	1742.50			
Bulldozing						
Crosscutting						
Test Pit Caisson-Labor	265.59	disallowed	265.59			
Mill Run Process	584.12		584.12			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	600.00	700.00	1300.00			
(3) Operating Mat'ls. and Supplies:						
Timber Gas & Oil	100.00	78.14	178.14			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Total Truck Repairs	261.01		261.01			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous Eng. Trav. Exp.	181.86	127.11	308.97			
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Cook and Food	431.08	290 178.	721.08			
Supplies and Food	202.50		202.50			
(8) Contingencies (specify):						
Labor Transport $103.59, Parcel Post 5.50 Assayor 2% Gross Labor 19.18	428.27	630.50	1058.77			
TOTALS	3054.43	3568.25	6622.18	2681.51	4150.52	6832.03
				68	765.93	765.93

I certify that the above bill is correct and just and that payment therefor has not been received.

Date December 10 *Payee Northwest Defense Minerals Inc.

Per Peggy Keenan Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 3,384.59 6,066.10

$ 2413.36

Signature [illegible]
(Authorized Certifying Officer)

Date 4/4/56 Voucher 56-89

(See other side)

4 Previous Disallowance

(For Government use only)

For payment of $1,969.24

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 16E-558 in accordance with the terms of the contract.

Signature E. O. Bunyon Title Mining Engineer Date March 19, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Ramey Title Executive Officer Date MAR 30 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
APR 9 - 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct.29 to Nov.22 195 5 Docket No. DMEA 654x Contract No. Idm F-58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium

Address Spearfish, South Dakota Tantalum, Tungsten, Gold

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Churn				1742.50	348.50	5.00	16.00	5.50
Mill Run Process Churn		584.12		584.12	1.25cy	584.12		
Panned Auger					1.25cy			
Total Truck Repair		261.01		261.01				
Stripping								
Trenching								
Test Pits Caisson	Feet	265.59	13.25	265.59	31.25	25.00	180	25.00
Roads and Trails Tech. Services	Day	600.00	12	1300	26	50.00	100	50.00
Cook and Food 526.27 504.24		431.08	140 man	721.08	231M.D.	8.00	687	8.00
Cook and Food Supplies		202.50	days	202.50				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Gas and Oil Operating Equipment Purchased		100.00		178.14				
Engineer Travel Exp. Minor Rehabilitation and Repairs		181.86		308.97				
Labor Transport Parcel Post New Buildings, Improvements, etc.		428.67	428.27	1058.27	1058.19			
Assay, 2% Labor								
TOTAL COSTS		3054.43	3054.83 -.40 3054.43	6622.18	6622.70			29,931.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date December 10 Operator Northwest Defense Minerals Inc.

Per Peggy Keenan Title President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS: No equipment allowed purchased, rehabilitation and repairs none.

Phase II only. Orginal Contract $100,000 Gov. participation 90%.

(For Government use only)

E. O. Benyon

Note: Arithmetical errors and error in transposition of $428.27 on MF 104 to 428.67 on MF 104A
E.O.B.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

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FINAL DISTRIBUTION
MADE APR 5 1956

Administrative Audit Difference Statement

Date: April 4, 1956
Payee's Reference: November 1955

Northwest Defense Minerals, Inc.
Standish Hotel,
45 east 51st Street,
New York 22, New York

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	3,054.43
		965.17
Difference	$	592.85
Amount Approved	$	2,681.51

The reason for the difference was due to:

Disallowances:	
Claimed 13.25' Caisson test pits and mill run process	8.9.72
Allowed 7' @ $25.00 per foot in accordance with contract	175.00 - 674.72
Truck repairs (no documentation)	- 150.00
Engineer travel expense (no documentation)	- .05
Food costs (no documentation)	- 115.64
Labor costs (no documentation)	- 54.68
Total disallowances	1,000.17
Reinstatements:	
Test pit Caisson disallowed on October report (documentation furnished with November report)	- 456.85
Food costs disallowed in October (documentation furnished with November report)	136.00
Total Reinstatements	592.85

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

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224 New Customhouse
Denver 2, Colorado

March 30, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 654X (Tin, Columbium-Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District) Fall River County, South Dakota. Operator's Monthly Progress Report for the period October 29-November 23, 1955

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 90 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations and subject to audit by the Contract Administration and Audit Division, except for the following deductions and reinstatements.

Item I - Test Pit Caisson and Mill Run Process

Costs reported this period	$849.71	
Costs reported in previous periods but disallowed	456.25	
Total costs reported for 31.25 feet in test pits Nos. 1 and 2		$1,305.96

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Maximum allowable cost for completed test pit caisson and mill run process			
Test pit No. 1 - 18.25 feet @ $25.00 per foot	$456.25		
Test pit No. 2 - 7.0 feet @ $25.00 per foot	175.00		
Total acceptable cost		631.25	
Total disallowance		674.71	
Disallowed previous report		456.25	
Net disallowance this report			$218.46

Item 4 - Truck Repairs

Should have been reported under "Item - 8 Contingencies"			
Costs reported		$261.01	
Acceptable documented costs		110.92	
Undocumented costs disallowed			$150.09

Item 7 - Engineer Travel Expense

Costs reported		$181.86	
Costs documented		181.81	
Excess disallowed			$ 0.05

Item 7 - Cook and Food and Supplies and Food

Costs reported this period		$633.58	
Acceptable documented costs			
Cook's Salary	$186.64		
Food and Supplies	161.77		
Special preparatory work	100.00		
Additional food and supplies purchased in previous period but reported this period	69.53		
Total accepted cost		517.94	
Undocumented costs disallowed		115.64	
Previous undocumented costs disallowed but now documented reinstated. Food and Supplies	136.00	136.00	
Net reinstatement			$20.36

Summary

Total acceptable costs	
This period	$653.94
Previous	120.00
Total	$773.94

Note: The unit cost to date for 241 man/days at a total allowed cost of 773.94 is $3.69 per man per day. The allowable maximum cost under the terms of the contract is $8.00 per man per day

Item 8 - Contingencies - Labor Transport

(Actually labor transporting samples)		
Costs reported	$403.59	
Total documented labor	378.91	
Excess Disallowed		$24.68

Summary of Disallowances, Reinstatements and Basis of Reimbursement to the Operator on Form MF-104 for the Period from October 29, to November 23, 1955

Total costs reported by Operator		$3,054.43
Disallowances		
Item I - Test pit caisson and mill run process	$218.46	
Item 4 - Truck Repairs	150.09	
Item 7 - Engr. Travel expense	0.05	
Item 8 - Contingencies - Labor Transport	24.68	
Total Disallowances	$393.28	
Reinstatement		
Item 7 - Cook and Food and Supplies and Food	20.36	
Net Disallowance		372.92
Total accepted costs		$2,681.51
Government participation at 90 percent		$2,413.36
Amount due the Operator		$2,413.36

Remarks

Date of Report----------December 10, 1955
Date Received in Field Office-------- January 24, 1956
Date Received in Region Office------ February 23, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy

cc: MF-104 File E58)
Sec. Op. Comm. (2))
Binyon)w/copy Adm. Audit
Townsend)Diff. Statement.
Cooper)
Chron.

DMEA
Date Rec'd.

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Denver, Colorado

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March 15, 1956

Memorandum

To: E. A. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Docket DMEA-854 (Tin, Columbium-Tantalum, Tungsten), Contract Ida-856, Northeast Defense Minerals, Inc., Lawrence County, South Dakota, — Monthly Progress Report and Voucher for the period October 28-November 28, 1955 (Revised)

Transmitted herewith are the following:

1) Operators MF-104 and MF-104a, Original and 4 copies (Rev.)

2) Bureau Engineer's Narrative Report, Original and 4 copies

3) Operator's Narrative Report and letter, originals and 2 maps.

4) Operator's Engineer Progress Report No. 2, Original

Also enclosed are four extra copies of the Bureau Engineer's Narrative Report and the list of documentation originally submitted. In addition another set of recapitulation sheets for the revised report are attached to the documentation sheets you requested be returned. The original Bureau Engineers report with the transmittal are also enclosed.

The operator's original report, submitted December 6, was returned for revision and clarification and was not resubmitted in it's entirety until January 24. The material as submitted was difficult to check and the office check was not completed until February 21 when the report was forwarded to the Denver office.

The revised or subject report was received March 15. As in the original report, the operator claims expenditures for items and work not covered by the contract and these are disallowed. The work under the items that are allowed was done in conformance with the contract and it is recommended that the government's share (85%) of the allowable cost-$1,158.84- or $1,989.24 be paid.

The work was completed prior to January 1, 1956.

E. O. Binyon

cc: E. A. Traver (2)
files

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March 18, 1956

Memorandum

To: E. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: L. G. Simyon

Subject: Monthly Progress Report for period October 23-November 12, 1955 (Revised), Docket DMEA-654 (Tin, Columbium-Tantalum, Tungsten), Contract Idm-858, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

During the period three visits were made to the project to check progress and completed work, and to observe the washing and concentration process.

The work covered by the subject report includes sinking of two test pits - Test Pit No. 1 on Beaver Creek and Test Pit No. 2 on Bear Creek - ; handling and storage of gravel from the pits and the washing and concentration of gravel from the bottom of Test Pit No. 1 on Beaver Creek.

Test Pitting

Test Pit No. 1 on Beaver Creek, started in October, was extended 6-1/4 feet, or from depth 12 to 18-1/4 feet, and Test Pit No. 2 on Bear Creek was sunk 7 feet. As reported by the operator, a total of 12-1/4 feet of test pitting was completed during the period. Test Pit No. 2 on Bear Creek, the last pit dug, was completed November 10. The locations of the pits are shown on the maps included with the operator's report.

Handling and Storage of Samples

The gravel from both pits, approximately 10 cubic yards, was hauled to the mill building and there stored in bins which were built as a part of the work under Stage II and allotted as a charge against Contingencies. The gravel from each daisson in each pit was stored separately and labeled as to the depth represented.

Washing and Concentration process:

After completion of the test pit on Bear Creek, the equipment for washing and concentration of the gravel was assembled and installed, and by November 15 was ready for operation. The operator advised by telegram on the morning of November 15 that processing would start that afternoon, and a visit was made to the project on that date. Approximately 2½ hours were spent in observing the operation.

The equipment and flowsheet were practically the same as outlined in the drawing attached to and a part of Amendment No. 1F, the only change being that the jig was not in the circuit. However, the classifier sands - the jig feed- were being saved and were to be put through a laboratory size (4" x 6") Denver Equipment Co. jig as a separate operation, the sands to be fed manually to the jig.

According to the operator, all major items of equipment - the Humphrey Spiral, classifier, trommel and pumps - were rented. Processing of the gravel continued through November 17 when, because of zero weather and inadequate heating facilities in the mill, operations were shut down. Two additional days were spent in cleaning up, all work being completed November 19.

From the run made on 1.5 cubic yards of gravel, which was from the bottom 1 foot of Test Pit No. 1 on Beaver Creek, ten products or concentrate samples were obtained and the splits of the samples as listed below were delivered by the operator. The tags with the splits left at the office do not correspond exactly to the list of "Concentrates Produced" in the engineer's report. However, from the weights obtained here and tags, the samples received appear to be fairly accurate splits and to correspond to the samples listed by the operator's engineer.

No.	Splits: Sample	Splits: Wt., Grams	Operator's Report: Sample	Total Wt., Grams
1	1 ft. of bedrock, panned concentrate	[illegible]	Hand panned from bedrock gravel	58[illegible]
2	Cleaned jig concentrate	8[illegible]	#1 Cleaned jig conc.	1,781
3	# [illegible] jig concentrate	456	# jig concentrate	8[illegible]
4	Jig bed, dam	661	Jig bed concentrate	1,121
5	Jig residue from cleaned jig conc. Sample weighed 57 lbs.	491	#6 jig middling	16,[illegible]
6	Splitter No. 1	1,787	#1 Splitter, Humphrey Spiral	[illegible],600
7	Splitter No. 1	1,210	" "	[illegible],642
8	Splitter No. 2	1,626	#2 " "	[illegible],3[illegible]

	Splits		Operator's Report	Total
No.	Sample	Wt., Grams	Sample	Wt., Grams
9	Splitter No. 4	[illegible].70	#4 Splitter, Humphrey Spiral	[illegible]
10	Splitter No. 5	[illegible],0[illegible]	#5 Splitter, Humphrey Spiral	[illegible],0[illegible]

The split designated "jig residue from cleaned jig concentrate" sample weighed 37 pounds" is probably a concentrate of the jig middling product.

The operator's original and revised reports include items that are not allowable under the contract as interpreted here. Also some of the amounts charged are incorrect according to the documentation, in some instances being less than the correct amount chargeable, and in others, more than the documentation shows. From the terms of the contract and documented expenditures as determined here, the allowable amounts for the various items are:

Test Pitting	$ [illegible].5	- Includes [illegible].[illegible] for washing and concentration and $[illegible].97 for labor, equip. rental and repair, and supplies
Handling & Storage of samples	4[illegible].50	Chargeable to Contingencies
Technical Services	6[illegible].00	As claimed
Gas & Oil	76.[illegible]7	Actual expenditure
Engineer's Expense	1[illegible].81	Chargeable to Miscellaneous
Postage on samples	5.50	Chargeable to Analyses of samples
Payroll Taxes	16.[illegible]7	Chargeable to Contingencies
Commissary; Meals & Quarters	543.44	Includes expenditures for Oct. & Nov. Chargeable to Miscellaneous
Total	$ 2,138.04	

It is recommended that the operator be paid $1,[illegible].14, or the government's share (50 percent) of $2,138.04 the total of documented expenditures that are considered allowable under the contract for work performed during the period included under the November 1[illegible] Monthly Progress Report.

E. G. Simpson

cc: R.N.Traver (2)
files

Notes on N F 104 March 6, 1956.

Oct. 29 to Nov. 22, 1955

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Denver, Colorado

1. Test Pit Caisson and Labor Costs.

Report 2 claims $265.59

Report 1 claimed $456.25 which was 18.25 feet x $25.00 a foot. Labor in report 1 in Contingencies was for the unforeseen transportation cost from Creek to Mill of drums for storage of concentrates. NME, Inc. requests a ruling, as the cost of mill run process is included in the $25.00 a foot, allowed. Report 2 shows $984.12 cost of mill run (see page previously submitted dated Dec. 3, 1955, title Item 2 report 2 Labor and Supervision NF 104.) As the whole mill run set up was charged and is still available could this be charged to contingency?

2. Truck rental disallowed to operator. Previously submitted and documented, total truck repair for 60 days $261.01.

3. Cook and Food report 2

Cook $204.51 (Tax 2% $4.09 omitted with this category), Food $226.57, total $431.08.

Report 1 disallowed $136 for food because of lack of documentation. Examination of vouchers submitted in December showed Food, report 1 to cost $170.42. Cook and Food Report 2 Costs to date $204.51, 226.57, $170.42, 120.00, total $721.08 for 231 man days. The $302.50 for Cook and Food supplies is only a part of the cost to the Corporation. When the Cook and Food Amendment 10 became retroactive at $8.00 per man day the Corporation read it as exactly that. The Corporation requested a clarification of why $8.00 per man day was written into the Amendment 10 but not allowed by the Denver offices. NF 104 report 2 has been revised to meet objections to man days in cook and food. Truck repair has been substituted for truck rental.

NF 104 - A, is now submitted with a request to process allowables at once, please.

NORTHWEST CEPPUSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan, President

December 3rd. 1955

PRO RATED LABOR. MONTH 2.

1. Transport and Handle Gravel included in Contingency.
(The labor cards submitted and reimbursed in report I. ended October 22. The labor cards in report 2. began Oct.23.)

		Gross Labor
October 20 through 26	Wm.H. Rummans	$ 73.20
October 24 through 29	Gus Nemitz	74.30
October 27 " Nov.2	Wm.H. Rummans	66.63
October 31 " Nov.5	Gus Nemitz	73.28
November 3 through 9	Wm.H. Rummans	52.00
November 7 " 9	Gus Nemitz	37.12
Labor errors total $ 7.45 prorated 1/3		2.38
		$403.59

2. Excavation Test Pit.

October 23 through 29	Allison Kehler	65.44
October 24 " 29	Arthur Bailie	53.86
October 29	John S. MacDonald	10.00
October 31 through Nov 5.	Allison Kehler	46.88
November 7,8,9	Allison Kehler	33.46
Labor errors prorated 1/3		2.38
		$212.02

3. Set up and Process Mill Run.

November 10,11,12,13	Gus Nemitz	66.62	
November 10 through 16	Wm.H. Rummans	101.73	
November 14, 16	Edd Nelson	28.75	
November 14 through 19	Allison Kehler	92.74	($90.76 + $1.88)
November 17,18,19	Wm. H. Rummans	35.72	
November 14	Gus Nemitz	13.72	
November 16, 17, 18	John S. MacDonald	33.75	
		$373.03	

December 3, 1955

Item 2 Report 2, Labor and Supervision - MF104

(Labor charges in report 2 start Oct.23rd. Explanation of pro rated labor charges for report 2 (Oct. 23rd. through Nov.20th. See Progress report and Vouchers.)

1. Transport and handle gravel pro rated labor.
   (as per Monthly Progress Report 1,
   this item charged to Contingency,
   see attached break-down) $403.59

2. In support of the cost of excavation of
   13¼ feet of Test Pit gravel work
   during Month 2 Phase II, as
   per contractors agreement dated
   Sept. 26, 1955 (price $25.00 per foot),
   labor is pro rated to be $212.02

Other charges:		
Pump rental	$41.85	
Welding caisson	8.00	
Lumber for gravel Storage bins	15.82	
Repair hoist bucket	6.50	
Plumbers Items repair pump, exhaust and hose	5.25	
Unions, nipples	1.34	
Gasoline pump	10.65	
	$89.41	$ 89.41
		$265.59

When 13¼ feet Test Pit excavation
is allowed at $25.00 a foot the
Report 2 work is $331.50

Costs listed in support of
contractors work, outside of
process mill run $265.59

Balance left for mill run ..... $ 65.91

3. Set up and process mill run.
   Cost of labor pro rated report 2,
   Phase II, charged to process mill run $373.03
   Small costs ..... $ 32.00

	$375.03
Balance left for mill run (13¼ feet excavation).....	$ 65.91
	$309.12

Rental cost of Humphrey Spiral unit $200.00
Rental cost of Classifier, and other equipment...$ 75.00

Total cost to date on process mill run $584.12

December 3, 1955.

Claim for Cook and Food

With reference to Disallowance from the Denver DMEA office item (c) "Cook and Food" for $136.00 and with reference to Amendment 10, effective Sept. 1, 1955:
Claim by Northwest Defense Minerals for Progress Report 1 - record of Man Days, "Meals and Quarters" or "Cook and Food" at $8.00 per Man Day is:

Gus Nemitz, Panner	28 Man Days	
R.M. Atwater Jr. Supervising Engineer	14 " "	
Allison Kehler, Miner	17 " "	
Arthur Bailie , Miner	16 " "	
John S. Mac Donald, Miner	1 " "	
Wm. H. Rummans, Truck Driver	32 " "	
Ruth Rummans, Cook	32 " "	
	140 " "	$1130.

Record for Progress Report 2 -

Record of Man Days, "Meals and Quarters" or"Cook and Food" at $8.00 per Man Day

Gus Nemitz, Panner	15 Man Days	
Allison Kehler, Miner	22 " "	
Wm. H. Rummans, Truck Driver	20 " "	
Ruth Rummans , Cook	23 " "	
R. M. Atwater Jr.	5 " "	
Ed.Nelson	3 " "	
John S. Mac Donald	3 " "	
	91 " "	$728.

December 3, 1955

Error in Labor, Report 1, Submitted for Adjustment.

In computing the Sept. 27th. to Nov. 6th. labor vouchers and checks for Wm. H. Rummans and Ruth Rumans, the operator was in error.

Labor vouchers submitted were re-imbursed. However, the Rummans vouvhers were paid only for Sept. 27, 28, 29, 30, Oct. 1, 3. The 4 and 5 of Oct. were included in the vouchers as a 6 day week but, actually they worked 8 days. The 4 and 5 of Oct. have since been paid by check Nos. 361, 362, by the Corporation.

In submitting the "Cook and Food" item in Reports 1 and 2 according to Amendment 10 effective Sept. 1, 1955, all payments to Ruth Rummans cook are now included in the $8.00 per man day basis. Therefore we are not requesting payment to Ruth Rummans of $13.32 for the error of Oct. 4 and 5, but we are requesting payment for Wm.H. Rummansfor $20.00 for Oct. 4 and 5, whe was then working for $1.25 per hour.

Since the operator has submitted the per man day figures on "Cook and Food", the cooks gross salary $120.00 for three weeks, for report 1 already reimbursed should now be subtracted on the same basis, no gross salary is requested for Cook on Report 2.

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Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

PROGRESS REPORT NO. 2

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NORTHWEST DEFENSE MINERALS, INCORPORATED

(Formerly Keenan Properties)

D.M.A. PROJECT Idm E-58 Docket 654X

EXPLORATION

R.M. ATWATER, JR.
CHADDS FORD, PA.

BUREAU OF MINES OBSERVER

E. O. BINYON
CHIEF OF FIELD TEAM 3
RAPID CITY, SOUTH DAKOTA

PROGRESS REPORT 2.

Beaver Creek - MS 392

Commencing October 24th, 1955 and lasting through November 21, 1955 work was carried on under the supervision of the undersigned. The excavation of a further 6¼ feet of the test pit on Beaver Creek, MS 392, was continued in the second month to a total depth of 18¼ feet. The work was hampered by an excess of underground water and large boulders. Samples were panned periodically for values. Sandstone bedrock was encountered at approximately 18 feet. It was broken up with hammer and pick and recovered by hoisting up large size slabs. The adhering gravel was carefully washed and scraped by steel brush from the bedrock slabs. In spite of the flow of water, every effort was made to recover the bedrock sand.

The excavated gravels were transported to the Northwest Defense Minerals, inc. mill, tagged and stored in bins. The bedrock washings were transported to the mill in a large tub and processed separately from the rest of the caisson gravel. The processing of the Beaver Creek gravel is described elsewhere in this report.

Bear Creek - MS 393

As suggested by the undersigned and agreed to by the field engineer, the test pit excavating equipment and Caissons were transported back to Bear Creek and a test pit started approximately 10 feet upstream from churn drill hole No. 1. The excavation continued until November 10, to a depth of 7 feet, where decomposed porphyry was encounted. During the excavation period black sands were encountered at approximately 4 feet in depth and continued for 3 feet. Peculiarly, a steady stream of water was flowing upstream and appeared to be carrying the black sands. The test pit was finished November 10, at a depth of 7 feet.

With reference to the Bear Creek test pit observation in the Report one on the page entitled "Test Pit Versus Churn Drill Holes.":

It is the recommendation of the undersigned that in the event test work and exploration continues, a trench to bedrock should be excavated across the creek bed by bulldozer in Bear Creek near the site of the 1955 work and that bedrock in this area should be examined. In fact, it is recommended by the undersigned to eliminate the use of churn drill holes and excavate the gravels by bulldozer or dragline and channel the trenches every 10 feet for samples.

Mill Process

As previously outlined in flow-sheets submitted to the Field Engineer, and described in the Progress Report No.1, the undersigned planned to reduce the gravel samples to concentrate form suitable for assaying. The equipment needed for this work was delivered to the company's mill building and installed on November 10, 11, and 12, ready for use.

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This equipment consisted of feed bin, to hold each sample in turn for hand shovel delivery to a trommel screen, (openings 3/16" by 1 1/4") run at adjustable speed. The undersize flowing to a single rake Dorr classifier. The sand product from the latter was planned to be fed to a Denver Duplex 12" by 18" mineral jig. The classifier overflow (slimes) was fed to a full size Humphrey's Spiral Unit.

The trommel oversize flowed to a steel wire screen (stationary) with 3/8" square holes, the undersize to mineral jig, the oversize to tails.

The concentrate samples for assay were planned to include:

1.) Minus 3/8" plus 3/16" coarse gravel.
2.) Minus 3/16" Dorr Classifier sand.
3.) Humphrey's Spiral slimes.

All to be assayed for gold, tin, columbite, tantalite and scheelite.

Water supply was obtained from a mine shaft in the same building using a plunger pump. Four gasoline engines were installed under cover in customary mill type buildings with concrete floor, plank sides and sheet-iron roof.

On the night of November 12, an unprecedented cold wave blew in from Canada, resulting in continuous below zero temperature (15° to 20° below zero) lasting without let up until late on the 17th, which seriously hampered and delayed the work planned.

All of the gravel samples were frozen hard in their separate containers in spite of a large stove set up in the 12' by 24' room containing the equipment. Ice formed wherever water was not in motion. The water supply pump broke down--cylinder clogged with ice.

In spite of every effort we were able only to run through 1¼ cubic yards of gravel from the lower section of the caisson pit of the Beaver Creek test.

The cold was so intense that we were forced to haul the minus 3/16" Dorr classifier sand by truck to Spearfish, South Dakota. At Spearfish, working conditions were favorable with city water and electricity available. The rake product sand from the Dorr classifier was hand fed to a 4" by 6" Denver laboratory jig set up in a provate house at Spearfish. 8 6/10 wash tubs of minus 3/16" sand measured .62 cubic yards. The jig produced a rougher concentrate that weighed 41 pounds, 13 3/4 ounces. The rougher concentrate was re-run twice over the mineral jig. The first re-run produced a high grade concentrate that weighed 3 pounds, 14 3/4 ounces. Examination of this concentrate by mineralite indicated a high scheelite content. Vanning tests showed the presence of several pieces of amalgam along with considerable clean particles of gold, both coarse and fine. Visual examination indicated a high cassiterite content with some columbite-tantalite particles. A magnet test showed the presence of considerable magnetite.

The second re-run over the mineral jig with reduced water pressure produced a fine screen size black concentrate that weighed 1 pound, 15 ounces. A magnet test indicated a high magnetite content. Visual tests by mineralite

were negative so far as scheelite was concerned. No gold was observed.

A 1/8" wedge bar screen with 3/16" and 1/4" steel shot was used as a bed on the 4" by6" Denver mineral jig. Hence, all plus 1/8 inch mineral particles were retained on the screen. At the end of the run the jig bed material was carefully panned. The steel shot being removed with a magnet. The jig bed concentrate produced weighed 2 pounds, 7 1/2 ounce. Visual examination revealed values in cassiterite, columbite, tantalite, with a few pieces of scheelite.

The bedrock gravel and rock material was given the following treatment. All rocks were washed and scrubbed with a wire brush. The fines and gravel was hand concentrated in a gold pan. The bedrock material washed from the broken up bedrock slab rock measured 1.25 cubic feet.From this, 1 pound, 4 3/4 ounces of pan concentrates was produced. Visual tests with a mineralite indicated considerable scheelite. Values in cassiterite and columbite were observed and checked with a scratch plate. A magnet test showed that considerable magnetite was present in the finer screen sizes.

Screen analysis of jig and bedrock pan concentrates.

Screen Size	Jig Conc.	Bedrock Pan Conc.
On 4	0.285 %	1.532%
On 8	2.239 %	10.085 %
On 16	14.785 %	19.587 %
On 30	27.990 %	20.280 %
On 50	39.530 %	18.931 %
On 100	13.847 %	21.247 %
Pan	1.324 %	8.335 %

Examination of the two screen tests shows considerable variation in sizing. The variation is no doubt due to the limiting bed screen on the 4" by 6" jig. The plus 1/8 inch minerals are contained in the jig bed concentrate which was not given a screen test. The number 2 jig concentrate likewise was not given a screen test. Visual examination of No. 2 concentrate indicated that the sizing was all minus 30 mesh and contained mostly tourmaline and magnetite. Assay will prove or disapprove this assumption.

The Humphrey spiral products produced from the Dorr classifier overflow slimes were made, not for the purpose of attempting to produce a saleable concentrate, but to determine the loss in fine mineral sizes if any, in the slime material. With this objective in mind a wide cut was made from five splitters on the spiral unit.

Spiral Concentrate Produced.

No. 1 Splitter	7 pounds, 15 ounces
No. 2 Splitter	5 pounds, 13 ounces
No. 3 Splitter	7 pounds, 5 ounces
No. 4 Splitter	1 pound , 3 ounces
No. 5 Splitter	8 pounds, 15 ounces

Considerable fine black material is contained in the spiral concentrate. Observations made with a magnifying glass and flashlight with the unit in operation, showed a definite band of black material. No attempt was made to identify the material. Its value, if any, is not known. No attempt was made to up-grade the spiral product. Observations indicate a low grade product made purposely to determine the possible loss in the slime portion of the placer sand if only all jig recovery of the values is contemplated as has been the case in all prior tests made on this gravel.

Sample Data--Lower Portion--Beaver Creek--Caisson.

	Total	
Quantity of material tested	33.70 cu. ft.	1.25 cu. yd.
Plus 3/8"	9.97 cu. ft.	31.011 %
Plus 3/16" minus 3/8"	3.05 cu. ft.	9.487 %
Minus 3/16" classifier sand	16.70 cu. ft.	51.010 %
Classifier slime	2.73 cu. ft.	8.492 %
Gravel washed from bedrock slab rock	1.25 cu. ft.	
	33.70 cu. ft.	

Concentrates Produced.

		Grams
Hand panned from gravel bedrock	1# 4 3/4 oz.	589
#1 Cleaned jig concentrate	3# 14 3/4 oz.	1781
#2 Jig Concentrate	1# 15 oz.	825
Jig Bed Concentrate	2# 7 1/2 oz.	1121
#3 Jig Middlings	37 lbs.	16813
#1 Splitter Humphreys Spiral	7# 15 oz.	3600
#2 Splitter Humphreys Spiral	5# 15 oz.	2643
#3 Splitter Humphreys Spiral	7# 5 oz.	3322
#4 Splitter Humphreys Spiral	1# 3 oz.	539
#5 Splitter Humphreys Spiral	8# 15 oz.	4063

No concentrate from the plus 3/16" minus 3/8" gravel was recovered, all of which was frozen solid. This material may contain a few coarse pieces of cassiterite, scheelite and columbite-tantalite. Specimens of such size have been submitted to the undersigned.

All samples produced were divided into equal halves. One set was sent to the Bureau of Mines Office at Rapid City, South Dakota. The other set will be assayed by the company. Values will be computed back to the yardage tested, upon receipt of the assay results.

The Project is suspended due to frozen gravel and water.

R. M. Atwater Jr.

RECEIVED
APR 9 - 1956

DMEA
Date Rec'd
MAR 12 1956
BUREAU OF MINES
Denver, Colorado

(5)

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: November 28, 1955
Payee's
Reference: October 1955

Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Gentlemen:

Upon examination of the above Payee's reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$ 4,150.52
Difference	$ 765.93
Amount Approved	$ 3,384.59

The reason for the difference was due to:

Disallowed total amount claimed for "Test Pit Caisson" inasmuch as this office is unable to reconcile the documentation with the amount claimed.	456.25
Truck rental disallowed inasmuch as the truck is owned by the Northwest Defense Minerals, Inc.	160.00
Disallowed amount claimed for food inasmuch as documentation is incomplete	136.00
Payroll taxes disallowed- The allowable items for payroll tax purposes are 321.02 claimed for Labor, and Foreman and 120.00 claimed for Cook's salary.	13.68

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N.E. Stokes

N.E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 R

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 16 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York City, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

In accordance with your letter of March 10, 1956, I am enclosing eight copies each of Forms MF-104 and 104A.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Enclosures

FLKnouse/gla
3/15/56
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Knouse
Contract Adm. & Audit Division, w/cc Miss Keenan's letter March 10, 1956.
DMEA Field Team, Region III (2), w/2cc " " " " " "

NORTHWEST RIVERSIDE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

118 East 40th Street.
March 16, 1956.

Mr. Robert W. Hills, Chief
Rare and Miscellaneous Unit
DMEA
Dep't. of Interior
Washington, D.C.

Dear Mr. Hills:

Thank you for sending a copy of the Rare and the W/Th and 10AA's. Enclosed is an extra copy of report 2 which we have just submitted in the hope of receiving our revolving fund so urgently needed. (Report 2 closed November 22.) Also enclosed is an extra copy of the assays of the concentrates we were able to recover by panning before total freeze-up in November 1955. The Crimson Test Pit was located in the center of a gravel area representing at least 2 million cubic yards of gravel and the Test Pit was excavated where Mr. Keouse and later Mr. Atwater and Mr. Mayer directed. Report 3, Phase II should be in my hands within 5 days.

The work of the assays has taken a long while. Release of the concentrates was delayed because the assays prices were so high. Finally, Denver DMEA advised putting the assay average into Contingency, providing our Corporation received bids from other assayers. We complied and got the Pitkin price down from $80.00 to $66.00 per assay. Then we realized Denver DMEA would not allow the cost of the gold assay because gold was to have been reserved and evaluated. As you see, the Pitkin assays report the gold value which would [illegible] some gold removable only by amalgamation.

We have always wanted to arrange for Separations Engineering Corporation to work on a sample of our concentrates. In a report now being prepared by Mr. James Moore of Separations Engineering Corporation it describes that one half of the concentrates recovered before freeze-up were left with Rapid City DMEA, one half [illegible] and sent three quarters of the one half to Separations. This firm pulverized the amount of materials, but did mix them all together and run them over electro-static, electro-magnetic and air table. The first numbers were surprised over the Tin and Gold content. The tin was then cooked with the nine hydrochloric acid test, the coarse gold removed. The scheelite and garnet were each separated in the last runs. Then Mr. Moore went away for 10 days, and when he returned the gold had disappeared from the containment. The firm claims no weight was taken of the gold, but all along I had stressed that the gold removed would comply with our contract requirement which had been overlooked in South Dakota. Mr. Atwater had been present at Separations and had counted about 14 pieces of gold in the pan before removal. The separated gold in the container was impressive in ratio to the amount of the concentrate. The disappearance of the gold was extremely upsetting. I give you this detail exactly as I found

it because of lapse of time and the condition of the contract. In the event the Corporation needs an amended extension I herewith request it. I suggest the gold assay be accepted and included in the amendment. I believe report 3 will state the gold evaluation by assay will be $0.79 per C.Y. We believe that we will recover some free gold by dry method, the rest by amalgamation - when we produce commercially. Gold removed by panning is definitely only part of the gold contained and fine and flower gold is removable by amalgamation. This we proved in our pilot plant work in 1949 and we still have the amalgator.

I am sorry this has been a long story, but these are the facts. I urgently need 8 MF10h's and 8 MF10hA's for report 3.

Hoping to see you soon,

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Leonan, President.

PK:ie
Encs Lucius Pitkin assay
CC: Mr. R.M. Atwater
Mr. James Everett Bacon
Mr. G. Wallace Jarman

MAR 7 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 16th Street
New York City, New York

Re: Docket No. DMA-654
(Tin, columbium-tantalum, tungsten)
Contract No. [illegible]
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

In accordance with your telegraphic request received yesterday, enclosed are eight copies each of Forms 10A and 10AA for your use in preparing your November, 1955, vouchers.

Sincerely yours,

STAMPED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Enclosures

FEKnoxen/cla
3-7-56
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Knouse
Contract Adm. & Audit Division
DMA Field Team, Region III (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 7 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York City, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This is with reference to your telephone call of March 5, 1956, concerning the preparation of Form MF-104 "Operator's Monthly Report and Voucher," and the collection of the amount due as DMEA's contribution for the work completed.

There are enclosed copies of the following:

1. Letter dated February 29, 1956, to Peggy Keenan, President, Northwest Defense Minerals, Inc., Standish Hotel, 45 East 81st Street, New York 24, New York, from W. M. Traver, Executive Officer, DMEA Field Team, Region III

2. Administrative Audit Difference Statement, dated November 28, 1955, to Northwest Defense Minerals, Inc., Spearfish, South Dakota. (R-IV-B & F Form No. 4)

We hope the above enclosures will enable you to prepare the forms requested by Mr. Traver.

FLKnouse/gla
3-6-56

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

cc to: Admr.'s Reading File
Contract Adm. & Audit Div.
(w/copy Mr.Traver's let., February 29, 1956)
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm.5224
DMEA Field Team, Region III (2)
Enclosures

Code 700
Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

AIR MAIL

February 29, 1956

Peggy Keenan, President
Northwest Defense Minerals, Inc.
Standish Hotel
45 West 81st Street
New York 24, New York

Re: Docket DMEA-654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58, Rawlins Mining District, Lawrence County, South Dakota

Dear Miss Keenan:

We are returning all signed copies of Form MF-104A for the period October 29-November 22, 1955, which were submitted in blank with your request that they be filled out by Mr. Binyon's office. Completing these forms is entirely the responsibility of the operator.

It will not be possible to process the November voucher, or any subsequent vouchers for which Forms MF-104A have not been properly completed; therefore, we request that the November forms be filled out by your company and returned to this office as soon as possible. It is a DMEA regulation that Forms MF-104 and MF-104A must be in agreement as to the amount of project costs.

As it has been determined that a breakdown of Phase I costs is not required, we suggest that you continue the same method that you used in completing the October 1955 Forms MF-104A, deleting all amounts which were disallowed from the October voucher.

In reference to your reclaim for costs which were disallowed from the October 1955 voucher, we must have the original of R-IV-B and F Form No. 4, Administrative Audit Difference Statement, which was mailed to you by the Finance Office on November 28, 1955. Please include this item when you return the completed Forms MF-104A.

Very truly yours,

/s/ W. M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

c o p y

Contract Admin. & Audit Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25

Defense Minerals Exploration Admin.
14X4401(01) Revolving Fund,
Defense Production Act, Interior (Allocated
Working Fund to Office of the Secretary)

TRIPLE

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

DEC 29 1955

to the applicant,
Reurlet December 16, 1955, Northwest Defense Minerals, Inc., Docket DMEA-654X, Idm-E58. It is not a prerequisite to payment that units of work and costs under Phase 1 be brought forward on Form 104 and 104A under Phase 2 which should be paid if otherwise acceptable, in this case.

George C. Selfridge
Chairman, Operating Committee

CEFisher/wb
December 29, 1955

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Renick, Rm. 3624
Mr. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers
Confirmation

COPY

NORTHWEST DEFENSE MINERALS, INC.

Spearfish, South Dakota.

118 East 40th, St.
New York City, N.Y.

Mr. W. M. Traver, Executive Officer
DMEA Field Team Region 3.
Department of the Interior
224 New Courthouse Building
Denver, Colorado.

January 11, 1956

Recd. 1-17-56

Subject: Contract Idm E-58
Project 654X

Dear Mr. Traver:

Your letter dated January 4, 1956 received. With reference to Disallowances Report I:

Item 2. "Truck Rental":

Two months before Phase II work began, Northwest Defense Minerals, Inc. purchased a Dodge ½ Ton Pick-up truck suitable and for the purpose of transporting the excavated gravel to the mill, etc. No truck could be made available in the area for that type of work at the contract rate of $160 per month. The Operator was not aware that Corporation-owned equipment was an excluded item in the contract, in fact, the Operator had been advised otherwise.

In Report I. Gas and Oil items were re-imbursed to the Corporation. The Operator was advised that "no repairs will be allowed." Now you advise that minor repairs and operating expenses may be allowed. Out of the confusion I will try to document, and where some voucher slips are not available I am loaning the DMEA cancelled checks of the Corporation to be evidense as vouchers. In Phase I. cancelled checks were accepted as vouchers. The following paid items have not been submitted previously and document the truck for Report 1 and Report II, except the Gas and Oil accounts.

1.	Essentials purchased with which to operate truck in mud, gravel, deep snow, steep grades ice and frozen streams during Phase II.	$58.15
2.	Used storage battery purchased late September for Phase II	12.88
3.	Repair both rear springs broken hauling through Creek beds in October. Bill not paid until December 3, 1955.	40.60
4.	Depreciation on 1953 ½Ton Dodge Pick-up, September (Commissary preparation, hauling supplies, wood etc.) October, November. (Amendment 10 reads from September on)	149.38
		$261.01

Item 3. "COOK AND FOOD":

1.	Wood Range - (cancelled check)	$25.00
2.	Additional Cooking utensils	17.50
3.	Labor cutting, hauling & splitting wood supplies for cook ranges and heating cabins September preparation (Amendment 10)	
	(a) Truck expense gas, oil.	35.00
	(b) Wm.R.Rummans $50. week - 2 weeks	100.00
4.	Cleaning bedding & preparing cabins	15.00
5.	Gasoline for light plant, bulbs, miscellaneous items for water and bathing.	10.00
		$202.50

Food & Supply Vouchers, Report I. $170.42

Supplementary PROGRESS REPORT 2.

Commissary Cook & Food:

1. See attached Ruth Rummans, Cook Salary		$204.51
	2% Tax	4.09
2. See attached Food and Supplies		$226.57

SUMMARY:

Truck	$ 261.01
Supplies, Cook and Food	202.50
Report I Food Supplies	170.42
Report II Food	226.57
Report II Cook	204.51
Tax	4.09
TOTAL	$1069.10

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

/s/ Peggy Keenan, President

cc: Mr. E.O. Binyon

Peggy Keenan, President

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
DEC 1 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~October 28~~ September 27, 1955 Docket No. DMEA 654x Contract No. Idm E-58

Operator's Name Northwest Defense Minerals, Inc.

Address Spearfish, South Dakota

Minerals Tin, Columbium, Tantalum, Scheelite, Gold

Contract Amount, $29,931.00 Phase II Only Government Participation: 90 % Amount, $26,937.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1742.50		1742.50			
Bulldozing	263.50		263.50			
Crosscutting						
Drifting						
~~Test Pit Caisson~~	456.25		456.25			
(2) Labor and Supervision:						
Labor ~~& Foreman~~	381.02		381.02			
Supervision						
Technical Services	700.00		700.00			
(3) Operating Mat'ls. and Supplies:						
Timber ~~Gas & Oil~~	78.14		78.14			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental ~~Truck~~	160.00		160.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment; Engineer Travel Exp.	127.11		127.11			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
~~Cook and Food~~	256.00		256.00			
(8) Contingencies (specify):						
~~Steam Drums~~	23.50		23.50			
~~Compensation 2%~~	22.50		22.50			
Payroll						
TOTALS	4150.52		4150.52	3384.59		3384.59

I certify that the above bill is correct and just and that payment therefor has not been received.

Date ~~Oct 28~~ Nov 1955 *Payee Northwest Defense Minerals Inc.

Per Peggy Keenan Title Pres. & Treas.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

-**Contingency (see attached sheet)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3046.13

Signature RRO
(Authorized Certifying Officer)

Date 11-28-55 Vou. No. DMA 5645
(See other side)

(For Government use only)

For payment of $5,735.47

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-158 in accordance with the terms of the contract.

Signature E. O. Benyon Title Mining Engineer Date November 16, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature for W.M. Tuer Title Executive Officer Date NOV 22 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original of a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
DEC - 1 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct 28 (Sept 27) 195 5 Docket No. DMEA 654x Contract No. Idm E-58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Tantalum, Tungsten, Gold

Address Spearfish, South Dakota

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	1742.50	348.5	1742.50	348.5	5.00	1600	5.50
Auger								
Stripping								
Trenching Equipment	Mon.	160.00	1	160.00	1	160.00	3½	160.00
Test Pits	Feet	456.25	18.25	456.25	18.25	25.00	180	25.00
Roads and Trails Tech. Ser	Day	700.00	14	700.00	14	50.00	100	50.00
Board-quarter	Day	256.00	32	256.00	32	8.00	687	8.00
TOTAL DISTRIBUTED COSTS		3314.75		3314.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs Gas & Oil		78.14		78.14				350.00
New Buildings, Improvements, etc. Engineer travel		127.11		127.11				1000.00
Contingencies-Labor		630.50		630.50				2000.00
Taxes-Dozer-Drums TOTAL COSTS		4150.50		4150.50				89,931.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct 28 1955 Operator Northwest Defense Minerals Inc

Per Joseph Koenan Title Pres. dent

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS: No equipment allowed purchased rehabilitation and repairs none. A second pump was rented to over come the hazards of underground water flow. The 8" pump capacity was 7000 gal. per min.

Phase II only. Original Contract $100,000 Gov. participation 90%.

E. O. Binyon
E. O. Binyon

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

RECEIVED
DEC - 1 1956

Administrative Audit Difference Statement

Date: [illegible]
Payee's
Reference: [illegible]

[illegible]

Upon examination of the above Payee's reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N.E.Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
DEC 1 1955

224 New Customhouse
Denver 2, Colorado

November 23, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 654X, (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota - Operator's Monthly Progress Report for the period October, 1955

Enclosed are the original and four copies each of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

A portion of the work has been accomplished as authorized in the contract and payment is recommended for 90 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallowances

(a) Item (1) "Test Pit Caisson"
Disallow the full amount of $456.25 claimed for this item which is the actual test pit sinking. This office is unable to reconcile the documentation with the Operator's claim. The Operator is doing the work on company account rather than by independent contract and the matter has been referred to the Washington Office. Refer to Amendment No. 3, Exhibit A.

(b) Item (4) "Rental Truck"
Disallow the full amount of $160.00 claimed for truck rental. The documentary material includes a copy of a "Rental Contract" which is not applicable as the truck is owned by Northwest Defense Minerals, Inc.

(c) Item (7) "Cook and Food"
Disallow $136.00 which is the amount claimed for food. This item is not documented other than a listing of checks paid to various grocery stores.

(d) Item (8) "Compensation 2% Payroll"
Disallow $13.68 of the amount claimed for payroll taxes. The allowable items for payroll tax purposes are
(1) the amount of $321.02 claimed for Labor and Foreman, and
(2) the amount of $120.00 which is the salary of the camp cook and is included under "Cook and Food"

Note: Payment is approved subject to audit by the Contract Administration and Audit Division, DMEA

Remarks
Date of Report- - - - - - - - - - - - - - - - - October 28, 1955
Date Received in Field Office- - - - - - - - November 7, 1955
Date Received in Region Office- - - - - - - November 18, 1955

W. M. Traver

By J. W. Townsend

Enclosures
JDC:jy
cc: MF-104 File E58
Sec. Op. Comm. (2)
Binyon
Townsend } w/copy engr's. report
Cooper }
Chron.

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

RECEIVED
DEC - 1 1955

November 16, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Progress Report October 1955, Docket DMEA 654X (Tin, Columbium-Tantalum-Tungsten) Contract Idm E58, Northwest Defense Minerals Inc., Lawrence County, S. Dak.

Transmitted herewith are the original and four copies of the following:

1. Bureau of Mines Engineers Narrative Report
2. Operators MF104 and MF104A
3. Operators Exploration of Contingencies
4. Operators Progress Report by Miss Peggy Keenan
5. Engineers Progress Report with Map
6. Miscellaneous Invoices
7. Copy of contract with W. O. Fellmore for dozer
8. Copy of the churn drilling contract with Kenneth Ellingson

Also enclosed are four extra copies of the Bureaus Engineers Narrative reports.

The operators reports and maps which were first submitted October 31, were returned for correction on November 4. The corrected report and map were resubmitted on November 7 and 9 respectively.

The work was done in conformance with the terms of the contract and it is recommended that the government's share of the cost (90 percent participation) or $3,735.47 be paid.

E. O. Binyon

cc: W. M. Traver
files

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DEC - 1 1955

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

November 16, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Progress Report for October 1955, Docket DMEA 654X, Contract Idm E58, Tin, Columbium-Tantalum-Tungsten, Northwest Defense Minerals Inc., Lawrence County, S. Dak.

The project was inactive from September 22, 1951 when the field work under Phase I was completed until September 27, 1955 when Phase II was started.

During the period covered by the report four visits made to the property to check road conditions and the location of drill sites and to observe the overall operation.

The monthly report was delivered to this office by Miss Peggy Kennan, president of the company, on October 31 and a field check of the work was made November 1. As the report had numerous errors and also included several items not provided for by the terms of the contract, it was returned for correction in person on November 4. Some time was spent in pointing out the obvious errors and in explaining that certain items could not be included for payment.

The work covered by the report includes dozer work on the Bear Creek road to the drill site on 70 flats, drill site preparation on Bear and Beaver Creeks, churn drilling and test pitting, churn drilling was done under contract and the test pitting, as well as the handling and storage of samples, was done by the company. Four men, a foreman, and three laborers were employed in digging the pits and handling and storing of churn drill and test pit samples.

As shown on the map accompanying the report, the first rows of holes on Bear and Beaver Creek are located within the area designated by the contract and the locations were approved by this office.

The churn drilling as mentioned was done under contract by Kenneth Ellingson at a price of $5.00 per foot. A copy of the contract is included with papers submitted with the report.

The holes and depths are as follows:

Bear Creek		Beaver Creek	
Hole No.	Depth	Hole No.	Depth
1	21	1	18
2	23	2	19
3	26.5	3	19
4	22	4	19
5	22	5	16
6	30	6	16
7	8	7	20
8	20	8	17
9	15	9	17
	187.5		161

Total churn drill footage - 348.5.

The test pits on both Bear and Beaver Creeks (located as shown on the map) were incompleted. The pit on Bear Creek was sunk to a depth of 6½ feet when either a porphyry boulder or bedrock was encountered and the pit abandoned. Another pit location was selected and opened. The footage reported for the pit on Beaver Creek is 12 feet and is correct, and the total test pit footage allowed is 18.25 feet at the price (maximum) set in Amendment 3 Exhibit A.

The contract makes no provision for dozer work; road repair and drill site preparation, however this seems to be an allowable item under the contingency fund since the work actually was necessary. Therefore the item $263.50 for this work is allowed. Also $321.02 shown for foreman and labor has been allowed as a charge against contingencies.

Although the contract price for churn drilling and test pitting includes washing concentration of the samples and separation of free gold from the concentrates, there is no provision for handling and storage of the samples and therefore the $381.02 has been allowed to cover the cost of this work. The amounts for the purchase of the drum and cleaning are allowed for the same reason.

The operator understands that the expense of washing and concentration of the samples and separation of free gold from the concentrates is included in the price per foot for churn drilling and test pitting and that no other funds are available for this work.

Other items such as technical services and engineer's travel expenses, meals and quarters and rental of the truck have been allowed at the rates specified in the contract.

It is recommended that the operator be paid $3735.47, or the government's share at 90 percent participation of $4150.52 the cost of the work completed and lowered by the October 1955 report.

E. O. Binyon

cc: W.M. Traver and files

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OPERATOR'S MONTHLY REPORT AND VOUCHER

EXPLANATION CHANGES ACT:

Item 8. The engineer found it necessary to load in truck and transport to the Northwest Defense Minerals, Inc. mill the cuttings from the churn drill holes which were placed in drums by the churn drill contractor. Each 6 foot of sludge was stored separately in the containers marked with paint. The drums were heavy, and as approved by the Rapid City Office, were removed from the truck and stored in the mill. The distances from the drill site were from 2 - 4 miles.

The gravel excavated from the Caisson Test Pits was shoveled into the truck (on canvas). Bins of lumber were put up in the mill and the gravel stored in the bins which were marked in paint. Each bin contained one Caissons worth of cubic feet.

The churn drill cuttings were stored in drums. The area was barren of drums, oil drums were steamed completely free of oil. Some drums were secured free at National Lead near Belle Fourche.

A flat top truck was commandeered and the Caissons, timber and equipment were transported from one Creek site to another, a distance of several miles.

Northwest Defense Minerals, Inc.
Peggy Keenan, President

Mistake in payroll which will be corrected in next progress report.

Chk. No. Gus Kenitz 10/9-10/15 Owe him $1.02
Chk. No. Allison Kohler 10/11-10/15 over paid $1.00
Chk. No. Arthur Bailey 10/16-10/22 under paid .40
Chk. No. Wm.M. Rummens 10/9 - 10/15 under paid 4.55 O.T.

PROGRESS REPORT

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DEC - 1 1955

NORTHWEST URANIUM MINERALS,
INC.

(Formerly Keenan Properties)

CONSOLIDATED

D. M. A. Project Id# 858 Docket 654X

EXPLORATION

R. B. ATWATER, JR.
CHADDS FORD, PA.

Bureau of Mines Observer

E. O. DIXON
CHIEF OF FIELD TEAM 5
RAPID CITY, SOUTH DAKOTA

PROGRESS REPORT

NORTHWEST DEFENSE MINERALS, INC.
(Formerly Keenan Properties)

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D. M. A. Project Idm 2-58 Docket 654x Exploration.

R. M. ATWATER, JR.
CHADDS FORD, PA.

Bureau of Mines observer, E. O. Binyon, Chief of Field Team 5, Rapid City, South Dakota.

LOCATION:

M. C. Placer No. 393, Lawrence County, South Dakota approximately 12 miles southwest of Spearfish, South Dakota.

SCOPE OF TEST:

To determine the mineral content of the placer sand and gravel for values in gold, silver, tin (cassiterite), tungsten (scheelite), columbium, (columbite), tantalum (tantalite).

The D. M. A. project called for a line of 9 six inch diameter churn drill holes spaced 50 feet on centers across the valley and drilled into bedrock where the enriched minerals are found.

The location 700 feet west of the east boundary of MC 393 on Bear Creek compass bearing of the line of holes N ~~42~~ 74 E.

Kenneth Ellingson of Spearfish, South Dakota was engaged to drill the holes. A Bucyrus Erie 22W rig was moved on to the property and hole No. 1 was started on October 3, 1955. Six inch heavy duty steel pipe was driven into the gravel and subsequently, drilled out using standard cutting cable tools. All of the sludge and cuttings was removed from the holes with a bailer and was placed in steel drums for subsequent concentration of values and assay. All drums were sealed, marked and were transported to the Northwest Defense Minerals, Inc. mill building located 14 miles from Spearfish, South Dakota. All material removed from the drill holes will be stored at this location. Concentration of mineral values will be instituted after the drilling program has been completed.

Prior to the drilling of hole No. 1, a test hole was drilled near Hole No. 1. The purpose, to secure material to test the amenability of a 4" x 6" Denver Mineral jig for recovery of the contained values.

The test hole was drilled to a depth of 22 1/2 feet. Depth 21 1/2 to 22 1/2 was in bedrock. All of the cuttings and sludge from 12' to 22 1/2' was run through a Denver 4" x 6" Mineral jig set up at Spearfish, South Dakota.

Much of the material had been ground to slime by the cutting tool. Zero settling was observed at the end of a 12 hour period, the time lapse between the period of transportation of the drill sludge to Spearfish and the starting of the jig test.

The sludge was slowly fed to the laboratory jig. The overflow from the jig (tailings) was run into a large galvanized wash tub with the tailings

sand being recovered in the tub. Overflow water from the tub was run to waste and was not saved. Concentrates were recovered in the jig hutch.

Observations indicated that a very fine black material was being lost in the overflow from the tailing tub. This very fine silty material was re-run through the jig at reduced water pressure at the end of the jig test.

The rougher hutch concentrate was up-graded by careful panning in a gold pan. The final concentrate was placed in two small glass screw top containers and was delivered wet to Peggy Keenan, President of Northwest Defense Minerals, Inc., on October 8, 1955.

Upon completion of the jig test the tailings and rejects from concentrate panning was placed in a steel drum. It is recommended that this material be re-run in a Humphrey Spiral concentrator. This recommendation in lieu of the very fine nature of the mineral values.

REPORT ON DRILL HOLES

No. 1 Test Hole -- see Jig Test run above.

M. C. 393
HOLE NO. I
DATE--OCTOBER 3, 1955
DEPTH--22 1/2 FEET

0' to 6'	1 - 15 gal. drums of sludge
6' to 12'	2 - 15 " " " "
12' to 18'	2 - 15 " " " "
18' to 22 1/2'	1 - 15 " " " "
	1 - 5 " " " "
	(Drums not full)

HOLE NO. 2
DATE-- OCTOBER 8, 1955
DEPTH-- 23 FEET

6 drums of sludge

HOLE NO. 3
DATE-- OCTOBER 8, 1955
DEPTH-- 26 1/2 FEET

7 drums of sludge

HOLE NO. 4
DATE-- OCTOBER 9, 1955
DEPTH-- 22 FEET

6 - 15 gal. drums sludge

HOLE NO. 5
DATE -- OCTOBER 9, 1955
DEPTH -- 22 FEET

4 - 15 gal. drums
2 - 15 gal. drums

HOLE NO.6
DATE -- OCTOBER 10, 1955
DEPTH -- 30 FEET

HOLE NO. 8
DATE -- OCTOBER 10, 1955
DEPTH -- 20 FEET

4 - 40 gal. drums sludge

HOLE NO. 9
DATE -- OCTOBER 11, 1955
DEPTH -- 15 FEET

1 - 55 gal. bbl. sludge
2 - 15 gal. cans sludge

HOLE NO. 1
DATE -- OCTOBER 12, 1955
DEPTH -- 21 FEET

3 - 15 gal. drums sludge

1/3 Full

NONE OF THE DRUMS FULL.

HOLE NO. 7
DATE -- OCTOBER 11, 1955
DEPTH -- 8 FEET

2 - 55 gal. drums sludge
1/3 Full

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LOCATION:

M. S. Placer No. 592, Lawrence County, South Dakota, approximately 10 miles southwest of Spearfish, South Dakota.

SCOPE OF TEST:

To determine the mineral content of the placer sand and gravel for values in gold, silver, tin, tungsten, columbium and tantalum.

The D. M. A. project specified a line of 9 holes, six inch in diameter, drilled with a churn drill. These holes to be spaced at 50 foot intervals across the valley and drilled to bedrock. Exploration by churn drill results in the removal of a sample in a pulverized condition, due to the cutting action of the bit. To insure a sizeable sample of the creek bed gravel in which the original physical characteristics of the sand and rocks would be retained a test pit sunk to bedrock was also specified as a requirement of the exploration program.

EXPLORATION:

Nine, 6 inches in diameter churn drill holes were drilled on 50 foot centers across the valley at a location on Beaver Creek within 1500 feet below the confluence of Potato, West Deer and Beaver Creeks.

The compass bearing of the line of holes is due South 13½' West across the valley.

HOLE #1:

Date October 13, 1955
Depth 18 feet.
3-55 gallons drums of cuttings and sludge.
Each drum 1/3 full.

HOLE # 2:

Date October 13, 1955
Depth 19 feet.
3-55 gallon drums of cuttings and sludge.
Each drum 1/3 full.

HOLE #3:

Date October 13, 1955
Depth 19 feet.
3-55 gallon drums cuttings and sludge.
Each drum 1/3 full.

HOLE #4:

Date October 14, 1955
Depth 19 feet.
3-55 gallon drums of cuttings and sludge.
Each drum 1/3 full.

HOLE #5:

Date October 15, 1955
Depth 16 feet.
3-55 gallon drums of cuttings and sludge.
Each drum 1/3 full.

HOLE #6:

Date October 15, 1955
Depth 16 feet.
3-55 gallon drums of cuttings and sludge.
Each drum 1/3 full.

HOLE #7:

Date October 17, 1955.
Depth 20 feet.
6 drums of cuttings and sludge.
Each drum 1/3 full.
(This hole made considerable water).

HOLE #8:

Date October 17, 1955.
Depth 17 feet.
4-55 gallon drums of cuttings and sludge.
Each drum 1/3 full.

HOLE #9:

Date October 18, 1955.
Depth 17 feet.
3-55 gallon drums of cuttings and sludge.
Each drum 1/3 full.

The test pit on Beaver Creek was started on October 17, 1955. Steel caisson cylinders were lowered into the pit as the sand and gravel and boulders were removed by excavating with hand tools and hoisting to the surface in buckets. Boulders and rocks were discarded after a thorough scrubbing with brush and water. All residue material from the scrubbing operation was combined with the sand and gravel removed from the pit and hauled to the Northwest Defense Minerals, Inc. mill. Here the gravel removed from each caisson shell was placed in separate storage bins and tagged for subsequent treatment for mineral values.

Several large boulders up to 3 feet in diameter were encountered between the 4 foot and the 11 foot level. The gravel below 11 feet was of finer texture and contained few boulders. Water was encountered at 5 feet and posed a problem as the depth of the shaft increased. This was due to the lowered efficiency of the pump at 6,000 feet altitude.

The three sections of caisson cylinders used represented a total of 265.22 cubic feet.

No. One, 62" x 48 1/2" - 85.02 cu. ft.
No. Two, 60" x 59" - 95.00 cu. ft.
No. Three, 60" x 56" - 85.20 cu. ft.

Test samples consisting of one shovel of gravel were periodically panned for values. Flour gold and values in tin were observed starting at a depth of 4 feet. At a depth of 6 feet, the size and quantity of the gold and tin particles increased. No attempt was made to measure the results of the pan tests. Concentration of values will be instituted at the Northwest Defense Minerals, Inc. mill upon completion of the test pit.

It is proposed to evaluate the results of the tests conducted so far in the following manner:

First all sand and gravel will be sized by screening and classifying.

After washing, all plus 3/8" material will be discarded to waste.

Plus 50 mesh sand will be concentrated in a Denver Mineral Jig.

Minus 50 mesh sand will be concentrated in a Humphrey Spiral.

This sizing procedure will insure against the loss of fines normally lost in jig or sluice concentration. The above procedure while uniform, will be applied separately to the material recovered from each individual test hole and the test pit in stages. Those concentrates recovered from each test hole will then be subjected to assay in order to ascertain the quantity of each mineral recovered, measured both on a "per yard" basis and a "per square foot of bed rock basis".

Accompanying maps, both in plane and cross section show the location and depth of the churn drill holes and test pit.

R. M. Atwater, Jr., Engineer
of the Project.

R.M. Atwater Jr.

TEST PIT VERSUS CHURN DRILL HOLES

BEAR CREEK N. S. 393

On October 11, 1955 a test pit was excavated on Bear Creek to the depth of 6 feet at which depth porphyry was encountered. This indicates that the selected pit site was not in the old Bear Creek channel. Trench No. One excavated in 1951 (Phase One) by bulldozer and dragline gave the following readings as to channel depth:

Sample No. 1	depth	feet	8.5
Sample No. 2	"	"	7.5
Sample No. 3	"	"	9.1
Sample No. 4	"	"	9.8
Sample No. 5	"	"	9.8
Sample No. 6-7	"	"	11.1
Shaft No. 1	"	"	18.8
Shaft No. 2	"	"	18.5
Shaft No. 3	"	"	18.0
Sample No. 14	"	"	7.6

Test trench No. One (Phase One) is approximately 900 feet upstream on Bear Creek from the site of the October 11, 1955 test pit.

There is a possibility that the October 11, 1955 test pit encountered a porphyry reef at 6 feet depth or a sizeable block of float rock not in place geologically speaking.

It is recommended that at least one additional test pit be excavated on Bear Creek at a site approximately in the center of the valley. It is the opinion of the writer that the first pit, although located in the present channel, does not reflect a true cross-section so far as the deposit of canyon gravel is concerned. An attempt should be made to locate the second pit more nearly in the center of the deposit and to obtain a more representative sample.

R. M. Atwater, Jr.

R. M. Atwater, Jr.

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DEC - 1 1955

Spearfish, South Dakota
October 28, 1955

Mr. E. O. Binyon, Mining Engineer
DMEA
Department of Interior

Subject: Project 654x
Contract Idm 4-58

Dear Mr. Binyon:

With reference to the Monthly Progress report dated October 28, more specifically to the 5 copies of the sketch map:

Please be advised that this is the engineer's preliminary sketch map and that he will furnish a detailed perfected map, together with the final report after assays have been received on the recovered concentrates to be processed.

Thanking you for expediting the project.

Yours very truly,

Northwest Defense Minerals, Inc.

Peggy Keenan President

Peggy Keenan, President

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DEC - 1 1955

Spearfish, South Dakota
October 28, 1955

Mr. G. O. Sinyon, Mining Engineer
Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

Dear Mr. Sinyon:

Thank you for your letter of October 20, 1955, and for the copy of the map of our area.

Attached please find Operators Monthly Report and Voucher with ledger-sheets, signed Vouchers, Engineer's preliminary report, Operators Progress remarks, map, sketch and proposed process flow sheet which is a combination of Amendment "A" and Amendment 6.

I trust that you find the data and expenditures according to your directive of October 20 and according to the DMEA Contract 6011x.

The underground water has steadily increased causing horrible delay. We finally found a 8" rental pump. As soon as snow permits we will proceed.

Will you kindly send me 6 copies of Operators Monthly Report and Voucher so that I may send copies to our Board of Directors?

Thanking you for your help and courtesies.

Yours very truly,

Northwest Defense Minerals, Inc.

Peggy Keenan President

Peggy Keenan, President

RECEIVED
DEC - 1 1955

October 28, 1955

ORIGINAL PROGRESS REPORT

The Phase II of Black Hills Gold Project Idn 8-38 was opened Sept. 27, 1955. The Commissary and Cabins had been previously prepared for mine later and engineers, the truck was available, a churn drill contract had been signed and the equipment enroute to the Northwest Defense Minerals', Inc. Domain camp below Lead, South Dakota, Lawrence County. A $2 18 Tractor contract has been signed and on Oct. 1 the tractor began preparing a path down the steep road and along Deer Creek so that the churn drill rig could be driven by truck about 4 miles from the County road into Sec. 30, T0 Plats, where the 3 specified churn-drill holes were to be driven. A path was prepared across the creek bed, rocks boulders and fallen trees were pushed aside and the drill holes were located as specified about 700 feet west of the east boundary of T2 S03.

On Oct. 3, 1955 a No. 1 hole was driven. The Northwest Defense Minerals, Inc. made a test hole of this work as reported in Mr. A. J. Atwater's report. Bedrock was reported at approximately 21 ½ feet, and the drilling continued to 22 ½ feet. The drill casing was stuck tight in the bed rock and hydraulic jacks were employed. The Corporation bore the full expense of this test.

Holes 2, 3, 4, 5, 6, 7, 8, 9, and Hole 1 ranged in depth from 22 ½ feet to 30 feet. Hole No. 6 was drilled to 65 feet. Credit was given for 30 feet, the Corporation bore the expense of 35 feet. There was a recess of churn drilling during the days of Oct. 4, 5, 6, and 7 ordered by Mr. Dixon and Mr. Traver because Mr. A. J. Atwater's arrival was delayed. The time was spent preparing bins for storage of the Test Pit gravel and collecting and cleaning drums for storage of churn drill material which was finely ground up and which was very wet and the consistency of pea soup. The Exploration began again Oct. 8 under the direction of Mr. Atwater. Mr. Dixon and Mr. Atwater conferred on Oct. 10.

The wet material bailed from the churn drill holes was stored as reported by the engineer. Panning were taken at intervals and black sands were noted.

On Oct. 11, the Caissons were transported to lower Deer Creek, S2 S03, tister and tripod erected for bucket hoist for excavation of a test pit as specified. A Barnes 1 1/2" pump was rented and delivered to the site of the test pit. All necessary tools and mining personnel were furnished to excavate the gravel in Caisson No. 1. At approximately 6 1/2 feet in depth a decomposed porphyry was noted on the down stream side of the Caisson. The black sands and gravel ceased and finally at approximately 7½' the porphyry covered what was reported as bed rock. Mr. Atwater, the

Engineer, ordered the Test Pit abandoned and selected a new site for Test Pit about 60 feet up stream near churn drill Hole No. 1. Mr. Binyon agreed to this by telephone. Before concurrence by Mr. Binyon, a Test Pit was begun Oct. 17 in Beaver Creek approximately 20 feet from churn drill hole No. 4 in Beaver Creek. The other Test Pit in Lower Bear has not been excavated.

The churn drill program in Beaver Creek began Oct. 13. The depth of the holes ranged from 16 feet to 30 feet. The wet material was stored as reported by the engineer. Pannings showed black sands. The program ended Oct. 18.

The Test Pit in Beaver Creek was excavated as specified. The overburden appeared to be approximately 4 feet deep. Dark looking gravel was encountered at 4 feet and continued to 7 feet where enormous boulders and rocks slowed down the work, to 11 feet. The rocks were scrubbed and residue put in proper bins. Pump trouble and weather also were obstacles. Caisson No. 2 stuck tight in Caisson No. 1 causing a delay. Caisson No. 2 was pulled and Caisson No. 3 replaced it. Water running underground was a constant annoyance and the pump was lowered by chains to meet the elevation (over 5000 feet) demand. Frequent pannings showed quantities of black sands and gold colors in every pan. Finally, with no bedrock in sight Caisson No. 2 was cut open, 2" removed and welded back together. This Caisson was then placed inside Caisson No. 3 and excavation continued. The gravels removed were stored in bins in the mill. Each Caisson material was credited separately in space marked according to Caisson. All silt from water pumped out of the Caisson was saved and deposited in the storage bins.

A small 18" x 36" Universal Trommel screen with 3/8" holes and mounted on portable trailer has been contracted for washing the excavated gravels and screening the oversize rock and gravel out. Because of the wide difference in size of materials to be washed, the gravels must be sized as they leave the Universal Trommel.

With reference to the churn drill pulverizing the materials: The late Mr. Robert Michael, engineer, recommended a Humphrey Spiral circuit in the test process equipment in his letter to the BMA in 1963. The BMA granted his requests for a circuit described in Amendment No. 8 and it seems certain that a combination of recommended equipment by the BMA engineers in Washington in Amendment 4 and the alternate equipment allowed in Amendment No. 8 would be acceptable. The whole problem is to set up a process to recover whatever values are in the excavated materials and still use specified equipment available and of the right size and rental price.

The fines cannot be recovered by jigging alone. The following process (a combination of 4 and 8) can be accomplished with equipment available nearby for nominal rentals.

Wheelbarrow and Shovel
Gravel to Hopper
Universal Trommel Screen with 3/8" holes for washing oversize to waste
Sizing of Material plus 50 Mesh
to Laboratory Denver Equipment Jig.
Minus 50 Mesh to Humphrey Spiral circuit.
This completes the process of concentration before separation specified in Amendment 8.

The operator would like to say that the rigid policy of rental only of equipment for this project works a hardship on the engineer and personnel. For example:

The Spearfish-Rapid City area of distances, bad weather, bad roads, snow etc is well-known for lack of rental equipment. The underground water running under Northwest Defense Minerals, Inc. gravels required a pump. The location of the Exploration was at 5-6000 feet and cut the efficiency of a pump ordinarily used in the Spearfish valley.

After scouting the area a rental 1 1/2" Barnes pump was found. This was inadequate from "a to 2". After wasting time and manpower and scouting for 3 solid days, an employee influenced an old school mate to rent a 2" German Rupp Centrifugal pump and the practically deluged miners returned to excavating.

The waste of time from every angle was economically unsound. The cost of the time plus the rentals would have paid for the right pump which was not available on rental. It is suggested something be done about such a policy.

Northwest Defense Minerals, Inc.

Peggy Keenan, President

Peggy Keenan, President

TELETYPE MESSAGE

E. D. Talbert
Washington, D. C.

June 16, 1952

Reurtt 6-13-52. Write check to Peggy Keenan but get her promise to reimburse Johnson.

Jay L. Chambers

CONFIRMATION

DEPARTMENT OF THE INTERIOR
Defense Liaison Division
JUN 16 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

800

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis, Minneapolis

Re: Docket No. 654X
Contract No. Idm-E58
Keenan Properties

Dear Mr. Needham:

Reference is made to your letter of May 19, 1952, which covered the last MF-104's submitted by Peggy Keenan, d/b/a Keenan Properties.

You are correct in concluding that these vouchers should be accompanied by an amendment to the certificate of audit issued under the contract prior to its amendment. I am enclosing the original and two copies of the amendment to the certificate of audit as submitted by the Chief, Contract Administration and Audit Division. Since this project was given an on-site audit, supporting documents to the MF-104's are not necessary.

Will you please request the Finance Officer to fill out "Totals Previously Reported" and "Totals To Date" on the final MF-104's, to make these records complete in this respect. I believe everything now has been submitted which will permit the final payment of this account to the contractor.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Enclosure

JIChambers/wb 5-27-52

cc: Admr. Reading File
Docket
Operating Committee
Mr. Ellis
Mr. Chambers

APPROVED:

/s/ J. H. Hedges
For Bureau of Mines

/s/ D. M. Lemmon
For Geological Survey

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Amendment to Audit Certificate
Issued April 4, 1952 on Contract Idm-E58

The audit certificate of April 4, 1952, specified that under contract Idm-E58, docket 654X, dated July 1, 1951 between the United States of America and Peggy Keenan d/b/a Keenan Properties, 421 Tower Building, Washington 5, D. C., the total amount due Peggy Keenan from the contract was $16,754.24. Under date of May 8, 1952, the above contract was amended by the signatory parties as Amendment No. 2. Under this amendment, the total amount due Peggy Keenan for the project contract is $17,136.20, or an additional amount of $381.96.

$16,756.24

$17,100.00 $343.76

Amendment No. 2 increased Sections 2 and 3, Labor and Supervision of Phase 1 of the contract from $2,300 to $2,681.96, thereby removing a like amount suspended in these items in the April Audit.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Date: MAY 27 1952

	Acceptable Costs	Cost (Approx.) Participation
Audit Ctf 4/4/52	$18,618.04	$16,756.24
Addtl. - Amend #2	381.96	343.76
Amended Audit Ctf. per above	$17,000.00	$17,100.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1952

May 19, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Operator's supplemental report of 9/16 - 9/30 - completion phase 1 - Docket DMA-654x, Contract Idm-E58
Keenan Properties

Here are four copies of the subject report transmitted to this office by Peggy Keenan dba Keenan Properties on May 11, 1952, for processing to payment, in accordance with Amendment No. 2 sent us by you on May 12.

No original or certified supporting documents, as required by DMEA Circular 19, accompanied the monthly report, and it is doubtful if the operator can furnish such data. However, if such amount has been taken into consideration and is supplemental to the final audit certificate dated April 4, 1952, such audit certificate must have been revised to include the additional amount of the subject monthly report.

In such case, it is believed approval of the subject report should be made by the auditor.

After such approval, the report can be returned and processed for payment in the usual manner.

A. B. Needham
Executive Officer
Field Team, Region V

Attachments 4
ABNeedham:dt
cc Dutton
Mullen
Redden
Region V
files, df

COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
MAY 21 1952

KEENAN PROPERTIES, INC.

Spearfish, South Dakota

605A Westchester Apartments
4000 Cathedral Avenue N.W.
Washington, D. C.

May 11, 1952

Mr. A. B. Needham
Chief, Bureau of Mines
Defense Minerals Exploration Administration
Minneapolis, Minnesota

Dear Mr. Needham:

Enclosed please find 4 copies of Monthly Progress Report, Contract Idm-E58, Docket 654x. This voucher covers the amendment allowing Keenan Properties $381.96 additional money for Labor performed during the 9/16 - 9/30 period on Beaver Creek test shafts.

I am advised by the Chief of the Rare Metals Division, DMEA, Washington, D. C., to forward these signed copies to you. Neither the Chief Auditor, DMEA, Washington, D. C., nor Keenan Properties have received a revised copy of the Monthly Progress Report Statement as finally audited in the Rapid City DMEA offices. Therefore, will you please add the final figures on the enclosed copies and send the check for $381.96 less 10% direct to me at 605A, 4000 Cathedral Ave., N.W., Washington, D. C., at your earliest convenience.

Yours very truly,

/s/ Peggy Keenan

Peggy Keenan
d/b/a/ Keenan Properties.

P.S. Please send the Operator's copy of the totals to me.

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

35

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 58
Docket 654 X

Name of Operator Peggy Keenan d/b/a/ Keenan Properties
Docket No. DMA 654 X Idm E-58
Total Contract Amount $ 100,000.00
Government Participation: 90 % Amount, $
Distribution of Expenditures for Month of Supplemental by Amendment 9/16 - 9/30
Completion Phase 1.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1952

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

RECEIVED
MAR 24 1952
DOMESTIC DIVISION

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Keenan Properties
(Name of Company)

By Peggy Keenan
(Signature of Authorized Official)

(Date)

owner
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		1,532.28	1,532.28			
(b) Rented[2]		6,797.54	6,797.54			
(c) Furnished by operator						
Repair parts		70.74	70.74			
3. Rehabilitation and Repairs:						
(a) Facilities						
Other supplies		1242.82	1242.82			
(b) Buildings						
(c) Installations						

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Amendment to Audit Certificate
Issued April 4, 1952 on Contract Idm-E58

The audit certificate of April 4, 1952, specified that under contract Idm-E58, docket 654X, dated July 1, 1951 between the United States of America and Peggy Keenan d/b/a Keenan Properties, 421 Tower Building, Washington 5, D. C., the total amount due Peggy Keenan from the contract was $16,754.24. Under date of May 8, 1952, the above contract was amended by the signatory parties as Amendment No. 2. Under this amendment, the total amount due Peggy Keenan for the project contract is $17,136.20, or an additional amount of $381.96.

Amendment No. 2 increased Sections 2 and 3, Labor and Supervision of Phase 1 of the contract from $2,300 to $2,681.96, thereby removing a like amount suspended in these items in the April Audit.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Date: MAY 27 1952

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
Wages & Salaries						
4. Labor[3]	381.96	8,253.95	(8,253.95)	$381.96	was suspended.	
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
FICA		53.38)				
Comp. Insurance		11.00)				
Travel		760.23)	3,065.92			
Assaying		790.00)				
Telephone		107.65)				
Tele. Services		50.09)				
Total	381.96		20,963.25	~~3532.70*~~	in accordance with final audit certificate.	
Deletions						
Adjusted totals				381.96		
Totals previously reported					3532.70*	
Totals to date				~~17,100.00~~		~~17,100.00~~

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Amount approved for payment $343.76 AG
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts	381.96									
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 17, 1952

Mrs. Peggy Keenan
4000 Cathedral Apartments
Apartment 605-A
Washington, D. C.

Dear Mrs. Keenan:

Confirming telephone conversation of this date, there is transmitted herewith Treasury Check No. 22,071,408, dated June 10, 1952, in the amount of $343.76, representing the balance due you under Contract No. Idm-258. This check is being released to you with the understanding that you have paid Mr. Johnson in full, or that you will use the proceeds of this check to complete your payment to him.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Chief
Contract Administration and
Audit Division

Attachment

RECEIVED: SEE ATTACHED RECEIPT SIGNED BY PEGGY KEENAN, JUNE 18, 1952

DATE: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

I agree to pay Mr. Johnson the balance of $286.00 provided he is ready to:

1. Assign the equipment which Keenan Properties paid for and give us a bill of sale on the equipment purchased;
2. Release the Keenan Properties from the lien filed in December, 1951 in Rapid City, South Dakota; and
3. The return of the gold recovered from the sampling of Keenan Properties, Phase I operation by Jack McAllister.

Peggy Keenan

June 18. 1952
DATE

E. H. Talbert
6-16-52
1:40

BUR MINES DN 235 6-16-52 10-40 AM

E D TALBERT

REURTT 6-13-52. WRITE CHECK TO PEGGY KEENAN BUT GET HER PROMISE TO REIMBURSE JOHNSON.

JAY L, CHAMBERS

END PLS ACK FTM

MSG RECD OK CW

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

Denver, Colorado

JUN 16 2 20 PM '52
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

D. M. E. A.

E. D. Talbert
3461 2612

1420137 Salaries & Expenses, Defense Production Activities, Interior, 1952
June 13, 1952

Mr. Jay L. Chambers, c/o Mr. W. H. King, 224 New Customhouse Building
Denver 2, Colorado

Final Check on Peggy Keenan case has been received from Needham. Please advise if the check should be delivered to Mrs. Keenan or whether Power of Attorney should be obtained and check delivered to Johnson.

(Signed) E. D. Talbert

E. D. Talbert, Assistant Chief
Contract Administration and
Audit Division

EDTalbert/wb
June 13, 1952

Copy to: Admr. Reading File
DMEA Mails & Files
Mr. Talbert
Rm 3461

ew

Mr. A. B. Needham
Executive Officer
Field Team, Region V
2908 Colfax Ave., South
Minneapolis 6, Minnesota

Re: Docket No. 654X, Contract Idm-458
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota
(Tin, Columbium, Tantalum, Tungsten)

Dear Mr. Needham:

We note in your memorandum of May 13, 1952, that you desire two copies of the Walter E. Johnson Company report on Phase I of the captioned project. For the time being, we are sending you only one copy since there are not sufficient copies to go around. Peggy Keenan did not receive a copy of this report from the Johnson Company, although it is her understanding that one is to be sent to her. In the meantime, we have loaned her one of our office copies and it is our understanding that she is having the report, including the tables (but not the maps), duplicated and will make available to us at least one copy. When we receive said copy we can forward it to you.

She is now preparing a formal request and proposal for Phase II of the work. No doubt, in due time, her application will be forwarded to your office for recommendation.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Chairman, Operating Committee

EWEllis/glm 5-20-52
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3061
E. T. McKnight, Rm. 4204 GSA
Chambers, Rm. 2612
Ellis

Enclosure

APPROVED:

J. H. Hedges
For Bureau of Mines

D. M. Lemmon
For Geological Survey

Air Mail

Mr. Walter W. Johnson
351 California Street
San Francisco 4, California

Dear Mr. Johnson:

Receipt is acknowledged of four copies of your report relative to operations under DMEA Contract Ida-458, Docket 654X with Peggy Keenan, d/b/a Keenan Properties.

In accordance with previous correspondence there is enclosed herewith Check No. 20,495,269, dated April 21, 1952 on the Treasurer of the United States, together with Power of Attorney signed by Mrs. Keenan, authorizing you to receive, endorse and collect subject check.

Sincerely yours,

(Signed) E. D. Talbert

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Enclosure-2

EDTalbert/wb
May 5, 1952

Copy to: Mails & Files
Admr. Reading File
Executive Officer, Region V
Mr. Ellis
Mr. Chambers
Mrs. Keenan

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Contract Administration and Audit Division

AUDIT CERTIFICATE

I have examined the records and transactions of:

Keenan Properties

Spearfish, South Dakota

pertaining to Exploration Project Contract No. E-58 for the period of July 16 through September 30, 1951.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to amount to be paid the contractor:

Total cost as billed by contractor -	$20,963.25
Exceptions taken by the government -	2,345.21
Total accepted cost	$18,618.04

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, the amount of reimbursement to be paid the contractor by the Government is:

Sixteen thousand seven hundred fifty six dollars and 24/100

$ 16,756.24

This certificate is issued on the provision that the Executive Officer, the Administrator, or other competent official accepts the project as having otherwise met the terms of the contract.

April 4, 1952

Robert M. Hall
Auditor

I. INTRODUCTION

An audit was made on April 1, 2 and 3, 1952, of Defense Minerals Exploration Contract No. Idm E-58, Keenan Properties. The records pertaining to this contract are in the office of the Supervising Engineer, U. S. Bureau of Mines, Rapid City, South Dakota. The audit covered the period of July 16 through September 30, 1951. Neither the Operator, Peggy Keenan, nor the accountant, W. A. Rich, were available for consultation. Mr. Donald H. Mullen, Supervising Engineer, U. S. Bureau of Mines, was consulted constantly as he was familiar with the work and records of the project.

II. EXTENT AND SCOPE OF AUDIT

1. Labor

The work sheets for the entire period under audit, July 16 through September 30, 1951, were examined. The only records available for checking were the work sheets upon which the employee's wages and all other expenditures were shown. The rates of pay were those set forth in the contract and amendment.

There were no time cards and no formal payroll, labor being charged to the project based upon the verbal report of the Operator. It was not possible to ascertain absolutely that any employee worked a given number of hours or days on the project beyond that of the word of the Operator. The forms MF-104 were prepared from these data.

2. Supervision

Supervision was based on a distribution made up by the Operator, the basis being the employee's time actually spent on the project.

3. Supplies

The records covering the purchase of supplies were examined. There were no written withdrawal slips for the supplies used on the project, the only record being the purchase invoice. Supplies were ordered as needed and no stocks maintained.

The gasoline used for the pumps and truck was bought by the drum (53-gallon), while that for the car was bought at the filling station and signed for by the Operator. There was no formal control on the supplies of gasoline used. Time books were not kept on the transportation units.

4. Transportation

There were several items of freight, express, and truck haulage for transportation of supplies and equipment to the project. The rates charged were in accordance with established tariffs.

III. FINDINGS

The records maintained by the Keenan Properties were in poor condition and not entirely adequate. The work sheets were sometimes in ink and other times, typewritten. The purchase invoices, bills and receipts were loose and not kept in any systematic order.

Numerous exceptions were taken as the Operator included items of general overhead and other indirect charges not expressly allowed as costs of the project in which the Government would participate.

IV. RECOMMENDATIONS

As a result of this audit, exceptions to the amount of $2,345.21 were taken as follows:

Item	Description	Amount	
107	Spearfish Hotel	$ 3.00	
108	Eastern Photostat	2.20	
110	W. C. Broadgate	18.71	
131	Alex Johnson Hotel	7.50	
Cash	Telephone call to Washington	8.61	
140	N. W. Bell Telephone Co., call to Washington	8.69	
160	Hotel Spearfish, telephone call to Washington	3.50	
175	N. W. Bell Telephone Co., call to Washington	11.19	
185	W. C. Broadgate	21.94	
213	N. W. Bell Telephone Co., call to Washington	4.94	
	Cash expenditures, telephone	1.24	
Cash	W. W. Johnson, local travel	13.69	
"	W. C. Broadgate	12.34	
"	W. W. Johnson, San Francisco Acct., Western Union	6.94	
"	" " " " " "	2.25	
"	Lakota Lodge, W. W. Johnson, travel	7.50	
"	N. W. Bell Telephone Co. and Western	8.49	
	Total	$ 142.73	$ 142.73
	Purchase of Equipment	1,482.41	
	Excess labor - Rockers	670.80	
	Sampler helpers	49.27	2,202.48
	Grand Total		$ 2,345.21

Exception was taken also to the method the Operator used in maintaining his records and the erroneous classification of costs on the MF-104.

The Audit Certificate, prefacing this report, reflects the total amount of the costs properly chargeable to this project.

899.40
720.09
1619.47

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

APR 25 1952
Air Mail

Mr. Walter W. Johnson
351 California Street
San Francisco 4, California

Dear Mr. Johnson:

Reference is made to our telephone conversation of April 2, 1952, in which it was agreed that a check made out to Peggy Keenan, d/b/a Keenan Properties, in reimbursing expenses for Contract Project IDM-E-58 would be sent to you in the amount of $3,819.18, accompanied by a Power of Attorney for the check signed by Mrs. Keenan.

I am sorry to have to inform you that the auditor under the present contract determined that the total amount due Peggy Keenan is $3,532.70. I am holding this check with the consent and knowledge of Peggy Keenan until we have received your final engineering report on the project. I might add that Peggy Keenan has requested an amendment to the contract, which, if approved by the proper authorities, would furnish more than enough money to pay the balance of your claim and that she has stated to me her intention of using the money for that purpose. Please understand, however, that the Government can make no assurance or promise that the project will be amended or that the payee will use the funds for any particular purpose.

It is my understanding that you desire to accept the $3,532.70 and to expect payment from the Peggy Keenan interests for the balance. If so, please send your report in immediately addressed to Mr. C. O. Mittendorf, Acting Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

Sincerely yours,

Signed

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
April 24, 1952

Copy to: Admr. Reading File
Mails & Files
Mr. Moulds
Mr. Chambers

DMEA-654

WALTER W. JOHNSON COMPANY
PLACER MINING
CONSULTATION EQUIPMENT-DESIGN CONSTRUCTION
351 CALIFORNIA STREET
SAN FRANCISCO 4, CALIFORNIA
TELEPHONE: SUTTER 1-4537 CABLE ADDRESS: RETLAW

April 22, 1952

Jay L. Chambers, Chief
Contract Administration & Audit Division
U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Chambers:

The delay in replying to your letter of April 4 has been due to my having been confined at home with a siege of the flu.

Will you please advise if it is your intention to send the check and power of attorney to us and we will then send the report to you, or are you waiting to receive the report before you send the check to us? Either way is satisfactory to us as long as we know there will not be any delay in our being paid the balance of $3,819.18.

I trust that I may hear from you advising how we should proceed with the matter.

Very truly yours,

WALTER W. JOHNSON COMPANY

Walter W. Johnson

Walter W. Johnson
President

WWJ:C

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 24 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Calfax Avenue South
Minneapolis 5, Minnesota

File

April 21, 1952

TELEGRAM - 11:20 a.m.

Peggy Keenan
Apartment 605A
4000 Cathedral Avenue N.W.
Washington, D. C.

Reurtel April 16. Final voucher went to Disbursing Office April 16. Check in amount of $3,532.70 being mailed today. Discussed with Mullen equipment situation and no amendment or adjustment seems advisable. Final audit approval within $381.96 of total allowable under Phase one.

A. B. Needham
Executive Officer
Field Team, Region V

Confirmation

ABNeedham:dt

cc Mullen
Dutton
J.L.Chambers
DMEA (wash)
Region V
files
df

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2906 Calfax Avenue South
Minneapolis 8, Minnesota

April 16, 1952

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Dear Mr. Chambers:

In accordance with your instructions of April 4, 1952, there is attached a check in the amount of $3,532.70, pertinent to Docket DMA-654m, Contract Idm-858, Keeman Properties, Inc.

Discussions with our field engineers have indicated no verbal agreements were made with the operator to purchase equipment in lieu of rental of same; therefore, the certificate of audit issued by Mr. Hull stands as the payment control document.

The enclosed check does not amount to as much as your letter of April 4 indicates is due Mr. W. W. Johnson, because previous payments amount to $13,223.54 and total allowable per audit is $16,756.24, leaving a balance of only $3,532.70.

Actually, the total amount approved, $18,618.04, is only $381.96 short of that allowable under phase 1, anyway, so that amending the contract to provide for equipment purchase would not help the situation much, and we would have a 90 percent share in the salvageable value and a disposal problem which the operator is supposed to do.

Since the Washington office has arranged for transmittal of the final report on operations from the operator's representative to them, it is presumed a copy will be made available to the Regional office.

This check resulting from the final voucher closes the docket and contract as far as the field team is concerned and this date can be assumed to be completion date.

ABNeedham:dt
cc Dutton
Mullen
Redden
Hill
Wash DMEA 2
Region V, files, df

Sincerely yours,

A. B. Needham
Executive Officer
Field Team, Region V

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2906 Colfax Avenue South
Minneapolis 8, Minnesota

April 14, 1952

Memorandum

To: Special Assistant to the Regional Director, Region V

From: Executive Officer, Field Team, Region V

Subject: Docket DMA-65kx, Contract Idm-258 - Certificate of final audit Keenan Properties, Inc.

Here is the final certificate of audit on the subject contract, together with a copy of a letter from the Chief, Contract Administration and Audit Division, DMEA, with regard to disposition of the checks due to operator.

It will be noted that it is desired to have the balance due the operator made out in two checks, one for $3,819.18, which is to be sent to Jay L. Chambers, Chief of the Audit Division, where power of attorney will be executed in order that the check can be conveyed to and cashed by K. W. Johnson, the operator's former foreman who has not been fully paid. On the voucher-schedule, the finance officer will have to give the address as Peggy Keenan, c/o J. L. Chambers, Department of the Interior, DMEA Room 2612.

The other check in the amount of balance due after deducting the $3,819.18 also goes to Peggy Keenan; and instead of sending it to Spearfish, S. Dak., it is suggested it be sent with the first check to Mr. Chambers for personal delivery to Miss Keenan.

Except for the final report, this closes the subject contract and the total expenditure by the Government was $16,756.24.

A. B. Needham
Executive Officer
Field Team, Region V

Attachments
ABNeedham:dt
cc Lutton
Mullen
Redden
DMEA (Wash) 2
Region V
files
df

APR 16 1952

APR 9 1952

Mr. A. B. Needham
Executive Officer
IMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis, Minneapolis

Re: Project Contract IDM-E-58
Docket No. IMA-654X
Keenan Properties

Dear Mr. Needham:

I am sending you the original of an Audit Report and and Audit Certificate of the above project prepared by Mr. Robert M. Hull of this Division. Mr. Hull worked in cooperation with Mr. Mullen, Rapid City, South Dakota, and according to a letter from Mr. Hull to this office, he and Mr. Mullen were in agreement on the final findings.

The question has been raised as to whether the contract will need to be amended for time. Personally, I think our acceptance of the work would be sufficient without making a formal amendment for time. In addition, your amendment of August 31, 1951 implied extension of the project. The original Audit Report and Certificate enclosed with this letter are to be used by the Finance Officer to support payment. A copy of the Report and Certificate was left with Mr. Mullen to be transmitted to your office for your official files.

You will note that the auditor disallowed a total of $2,345.21 of the vouchers submitted by the contractor. Most of this disallowance was for purchases of equipment and payments on excess labor. If you, however, are of the opinion that the operator should be reimbursed for some of the equipment or labor, I believe you have authority to amend the contract to this extent provided the total payments do not exceed the funds allocated by the Washington Office for the project.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Enclosure
JLChambers/wb 4-9-52
cc: Docket File, Mr. Moulds, Mr. Chambers, Hull

APR 4 1952

Mr. A. B. Needham
Executive Officer
DMRA Field Team, Region V
2908 Clafax Avenue, South
Minneapolis 8, Minnesota

Dear Mr. Needham:

Reference is again made to Project IDM-K-58, Peggy Keenan doing business as Keenan Properties. In the next few days you will receive a Certificate of Audit from Mr. R. M. Hull, Auditor of this Division, who will certify to the amount of money due Peggy Keenan, d/b/a Keenan Properties, for project operations under the first phase of her contract.

Will you arrange to have two checks drawn to Peggy Keenan, one in the amount of $3,819.18 and the second for the balance due her. I have arranged with Mrs. Keenan for the check in the first amount to be sent to Mr. Walter W. Johnson of California, in payment of work on the project which is a claim against Peggy Keenan. In order to get this check to Mr. Johnson in a manner which can be cashed, it will be necessary for it to be sent to my office and for me to have Mrs. Keenan sign an individual Power of Attorney for this particular check, giving the number of the check, the Disbursing Officer, and the symbol number. Consequently, on the voucher-schedule the Finance Officer will have to give the address as: "Peggy Keenan, c/o J. L. Chambers, Department of the Interior, DMRA, Room 2612." The second or smaller check may be sent directly to Peggy Keenan at Spearhead, South Dakota; if you and the Finance Officer prefer, both checks can be sent to me, and I will deliver the smaller check to her when she signs the Power of Attorney for the larger one.

The arrangements for the Power of Attorney for Johnson to cash the check in the amount due him also called for Johnson to submit to DMRA two copies of his final report and findings immediately. Upon receipt of this report from Mr. Johnson, we will release Peggy Keenan's large check to Johnson and send you copies of the report.

Sincerely yours,

Signed

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/ama
April 4, 1952

Copy to: Mails & Files
Mr. R. M. Hull
Mr. Moulds
Mr. Chambers

APR 4 1952

Mr. Walter W. Johnson
351 California Street
San Francisco 4, California

Dear Mr. Johnson:

This is to confirm our telephone conversation of April 2, 1952, in which I stated that Peggy Keenan had agreed to give you power of attorney for cashing a check in the amount of $3,819.18 due you for work on the project. You in turn agreed to submit immediately to us at least two copies of your final report and findings. It is also my understanding that you had previously agreed to submit copies to Peggy Keenan. This, however, is an arrangement between you and Peggy Keenan.

I have arranged for the Disbursing Officer to send Peggy Keenan's check in the amount stated above to Washington in my care so that I can have her complete the power of attorney which requires under federal regulations that the check number, the name of Disbursing Officer and his symbol appear on the power of attorney. I shall then send the original of power of attorney along with the check to you.

The above agreement has been discussed with Mrs. Keenan at least three times and in my opinion it is most satisfactory to her.

Sincerely yours,

Signed

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
April 4, 1952

Copy to: Mails & Files
Mr. R. M. Hull
Mr. Moulds
Mr. Chambers

DMEA

Jay L. Chambers
3461 2612

1420137 Salaries & Expenses, Defense Production Activities, Interior, 1952
March 27, 1952

Mr. A. B. Needham, Executive Officer, Region V, 2906 Colfax Avenue, South Minneapolis 8, Minnesota

Hull is on extended trip and will arrive in Rapid City, Monday 31. Did not get your message in time to locate and stop him. Talked to Keenan who says all her records are with Mullen. Hope Mullen and Hull can arrive at recommendations for settlement. Keenan agrees to make assignment of monies owed Johnson and is contacting Johnson on subject, so that Government can pay him direct. I told Keenan that Johnson's final report must be submitted before we could make any settlement with her. She agreed to accept whatever reasonable settlement offer was made.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
March 27, 1952

Copy to: DMEA Mails & Files
Mr. Chambers

March 20, 1952

Mr. Robert M. Hull
General Delivery
Rapid City, South Dakota

Dear Bob:

Please contact Mr. Donald M. Mullen, Supervising Engineer, Bureau of Mines, School of Mines Campus, Rapid City, South Dakota, re arrangements to audit records of Keenan Properties on project Contract IBM-E-58.

This contract permits for Phase I, the only performance authorized, total costs of $39,000.00 with Government participation of 90%. Mr. Keenan (or possibly Mr. Mullen) is holding up payment of final MF-104 pending audit. From a comparison of the MF-104s for the period of July 16 to September 15, 1951 with the contract it appears that some unauthorized, as well as excessive, costs have been charged even prior to the final payment.

There follows a summary of the costs on the two month's MF-104s paid to date with certain notes relative thereto:

Item	Contract Estimates	MF-104 7/16-9/15		Balance Claimable
Wages and Salaries	$30,800.00	$ 5,724.33		$5,075.67
Equipment Purchases	-	1,532.28	(A)	-1,532.28
Equipment Rental	2,700.00	5,097.50	(B)	-2,297.50
Supplies	5,500.00	1,045.15	(C)	3,161.28
Other		1,283.57		
Total	$39,000.00	$14,692.83		$4,407.17
*1 Jig Man @ $400 per mo.	$ 800.00	$ 335.40	(D)	$ 129.20
1 Sampler @ $400 per mo.		335.40		
6 Helpers @ $1.15 per hr.	2,000.00	601.29		898.71
1 Tr. Driver @ $350 per mo.	350.00	574.99	(E)	-224.99
1 Manager	1,000.00	538.00	(D)	462.00
1 Engineer	3,000.00	3,075.00		-75.00
1 Camp & Board @ $150 p/mo.	1,350.00	264.25	(F)	985.75
Travel-Three Men	2,400.00	-		2,400.00
General Supervision, etc.	500.00	-		500.00
Total	$39,000.00	$ 5,724.33		$5,075.67

(A) Since no equipment purchases were provided, if these charges are such they should be disallowed, unless contract is amended.

(B) Excess possibly should be disallowed; also check period of rental of drag-line (used in lieu of bulldozer, per amendment); a portion of excess if due to rental of car and pickup (per amendment) may be allowable.

(C) Includes "telephone and telegraph" and "travel" which may be "indirect" costs and therefore not allowable; "travel" may be part of "Travel-Three Men $2,400.00" shown on Exhibit "A" and, if so, of course is allowable.

(D) Titles differ between contract and MF-104, but this is presumed to be the intent.

(E) Excess should be disallowed per Art. 8 of contract.

(F) Contract provides for $1,250.00 maximum allowance to employees in lieu of board and lodging, whereas MF-104 includes charges as follows for Camp and Boarding House:

Wages	$ 264.25
Equipment	227.57
Supplies	563.11
Other	110.00
	$1,164.93

It appears, if these charges are to be allowed, contract will need to be amended.

All of the above are just points of question that appear from a perusal of the "bare" MF-104s on file in this office and are listed merely to give you an indication of possible trouble spots. Basically, however, as you probably recall, the engineer (a Mr. Johnson) is pushing Mrs. Keenan for payment of his fees, which include expenses both prior to the contract date and after the termination date as well as indirect costs not allowable under the contract. To further his claim Mr. Johnson is withholding the final engineering report. Mr. Needham will not pay the final MF-104 until receipt of the report as required by Art. 14 of the contract. Mrs. Keenan claims she can't pay Mr. Johnson until the Government pays her. So -- quite an impasse!!

There is a possibility of an out which you should keep in mind as a final recourse. An assignment to Mr. Johnson of any balance due Keenan Properties under this contract can be effected, thereby guaranteeing to Mr. Johnson the payment of at least that amount. However, any such assignment of this contract must be effected by the Administrator, as such authority has not been delegated to the Executive Officers.

Best of luck,

EDTalbert/wb
March 20, 1952

Copy to: Mails & Files

D. M. E. A.

400
Jay L. Chambers
3461 2612

14X0137 Salaries & Expenses, Defense Production Activities, Interior, 1952

Mr. A. R. Hudson, Executive Officer, 2908 Cedar Avenue, South
Minneapolis 8, Minnesota

In telephone conversation March 17 Keenan Properties, Mrs. Keenan did not contact my office. Hall of my office will be in Rapid City March 31. Please see that contract and 104 reports are available in Rapid City. Hall will contact Mullen. Please notify Keenan of this proposed audit.

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/vb
March 20, 1952

Copy to: DMEA Mails & Files
Mr. Chambers

FEB 8 - 1952

Mr. A. B. Needham, Executive Officer
DMEA Field Team, Region V
Defense Minerals Exploration Administration
2906 Colfax Avenue South
Minneapolis 8, Minnesota

Dear Mr. Needham:

Reference is made to your memorandum of January 24, 1952, in regard to Contract IDM-E-58 with Keenan Properties, Inc. The question arises as to whether we should have an audit made of the Keenan Properties to determine if the Government's interest under the contract is being violated.

As you know we have recently established a Contract Administration and Audit Division and we are attempting to get well-trained and experienced auditors to go out into the field and audit the books of contractors for two purposes: (1) to reduce the amount of documentation now required of contractors in support of their vouchers; and (2) to better protect the interest of the Government.

It is now planned that some time during the week of February 18, 1952, Mr. E. D. Talbert, Assistant Chief of the Contract Administration and Audit Division, and Mr. Kenfield Bailey, Budget and Finance Officer of the Bureau of Mines, will stop over in Minneapolis on their way to Spokane, San Francisco, Denver, and other Regions. At this time you may wish to discuss with these gentlemen the contract with the Keenan Properties, as well as other problems which you may have.

You will be informed later by wire as to the exact day Mr. Talbert and Mr. Bailey will arrive in Minneapolis.

Sincerely yours,

C. O. Mittenderf

Acting Administrator
Defense Minerals Exploration
Administration

JLChambers/wb
February 8, 1952

Copies to: Mails & Files
Admin. Reading File
Mr. Chambers

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED
MAR 5 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

[illegible]
(Name of Company)

By Jerry Keenan
(Signature of Authorized Official)

Feb 28 1952
(Date)

Keenan Properties Owner
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Keenan Properties
Project No. DMA 654X, Contract Idn B-59
Total contract amount $100,000
Government participation percent 99

Distribution of Expenditures for Month of 9/16 - 9/30 Completion of Phase 1

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	2,529.62	5,724.33	8,253.95		5,274.33	
Equipment purchase [1]		1,532.28	1,532.28		1,532.28	
Equipment rental [2]	1,700.04	5,097.50	6,797.54		5,097.50	
Buildings						
Explosives						
Repair parts	70.74		70.74			
Other supplies	197.67	1,045.15	1,242.82		1,045.15	
Power						
Transportation						
Workmen's compensation, F.I.C.A.	53.30					
Compensation insurance	11.80					
Other insurance, Travel	760.23	1,293.57	3,065.92		1,293.57	
Contract work, Assaying	790.00					
Other (specify), Telephone,	107.65					
Telegraph, Services	50.09					
Total	6,270.42	14,692.83	20,963.25	4,307.17*	14,692.83	19,000.00*
Totals previously reported	14,692.83					
Totals to date	20,963.25					

FOR GOVERNMENT USE ONLY

Checked by D. H. Mullen
Entered by D. H. Mullen Supervising Engineer
Approved by
Amount approved for payment
Remarks

* Maximum allowable under Phase 1 of the contract.

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

Statement of Activities September 15, 1951 to
September 22, 1951

DEFENSE MINERALS ADMINISTRATION PROJECT contract Idm 258
Docket 654X

Peggy Keenan
d/b/a/ Keenan Properties

During the period September 15 to September 22, 1951, the following work was carried on:

The gravels from the remaining Channels and Shafts were run through the test plant.

Mr. Walter Johnson requested two channels per test pit in Beaver Creek. The preparation work for channeling was so slow and costly it was decided to close Phase 1 due to previous heavy expenditures.

A composite sample of rejects was run September 22, 1951 when Phase 1 closed.

/s/ Peggy Keenan

d/b/a/ Keenan Properties

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF 9/16-30 Completion of Phase 1

Name of operator Keenan Properties
Project No. DMA 654, Contract Ech 2-58
Total contract amount $100,000
Government participation percent 90

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen Hg Man	1		$400/mo.	$400.00
Surface Tanner	1		100/mo.	100.00
Samplers Helpers	3		1.15/hr.	323.41
Assayers Truck Driver	1		330/mo.	323.08
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager	1			10.13
Superintendent				
Engineers	1		Contract	2,000.00
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other Cook	1		$150.00/mo.	36.00
Total	9			$2,529.62

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by D K Mullen
Entered by
Approved by D K Mullen
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF 9/16-30 Completion of Phase 1

Name of operator Roman Properties
Project No. DMA 65[illegible], Contract No. 1-50
Total contract amount 200,000
Government participation, percent 90

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
~~Drifting~~ Reconnaissance	10.13		53.81	157.78	221.71					
~~Crosscutting~~ Engineering	1[illegible].00				1,[illegible].00					
~~Raising~~ Operation Mapping	35.00		66.89		101.89					
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying	1,[illegible].09	[illegible]	[illegible]	161.61	1,[illegible].00					
Roads and trails										
Test pits		1[illegible].00			1,[illegible].00					
Other (specify)										
Totals	2,[illegible].62	1,[illegible].00	[illegible].11	1[illegible].25	6,[illegible].12					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by D. H. Mullen
Entered by
Approved by D. H. Mullen
Remarks

JUL 2 1952

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Dear Mr. Needham:

Receipt is acknowledged of the MF-104 Supplemental by Amendment, period September 16 - September 30, 1951, for Exploration Project Contract Idm-E-58, Docket DMA-654X, Peggy Keenan, d/b/a Keenan Properties.

This office, however, has never received a copy of the previous MF-104 covering the period September 16 - September 30, 1951. In order that our records will be complete it will be appreciated if you will furnish us with two copies of this voucher.

Very truly yours,

Signed

E. D. Talbert, Assistant Chief
Contract Administration and
Audit Division

AMAlley/ama
July 1, 1952

Copy to: Admr. Reading File
Mails and Files
Mr. Ellis
Mr. Chambers

Rec'd 7/9/52

MF-104
(April 1951)

Budget Bureau No. 42-R1086.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 8 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Keenan Properties
(Name of Company)

By Peggy Keenan
(Signature of Authorized Official)

September 24, 1951
(Date)

d/b/a Keenan Properties
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Keenan Properties
Project No. DMA 654X, Contract Idm E-58
Total contract amount $100,000
Government participation percent 90%

Distribution of Expenditures for Month of 8/16 - 9/15/51

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Labor 5724.33						
Wages and salaries	$2206.92	$3517.41	$5724.33	2206.92	3517.41	5724.33
Equipment purchase [1] - 1532.28	1490.75	41.53	1532.28	1490.75	41.53	1532.28
Equipment rental [2]	2951.91	2145.59	5097.50	2951.91	2145.59	5097.50
Buildings						
Explosives						
Repair parts						
Other supplies	666.65	378.50	1045.15	666.65	378.50	1045.15
Power						
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work						
Other (specify) *	1102.24	191.33	1293.57	1102.24	191.33	1293.57
Total	$8418.47	$6274.36	$14,692.83	8418.47	6274.36	14692.83
Totals previously reported	6274.36	---	---	6274.36	None	None
Totals to date	$14692.83	$6274.36	$14,692.83	14692.83	6274.36	14692.83

*Travel, telephone, telegraph, and incidental services and expenses

FOR GOVERNMENT USE ONLY

Checked by [signature]
Entered by [signature]
Approved by [signature] Supervising Engineer
Amount approved for payment $7576.62
Remarks est

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

Copy

KEENAN PROPERTIES, INC.

Spearfish, South Dakota

Statement of Activities September 15, 1951

August 15 - September 15, 1951

Defense Minerals Administration Project
Peggy Keenan d/b/a/ Keenan Properties
Contract Idm-#38 Docket 854A

During the period August 15 - September 15, 1951, the following general work was accomplished:

Seven additional trenches, dimensions approximately 140' x 11' x 3' - 14' were excavated. Two test pits were dug on Beaver Creek. Three shafts were made. One high bar trench. Dragline, caterpillar, manual labor and caissons and trucks were employed.

Each trench was channeled approximately 10' apart, overburden to bedrock. The shafts were channeled once each. The test pits were not sampled. The high bar trench was approximately 19' deep and the excavation was through prehistoric river bed gravel to bedrock; one channel was cut.

The gravels from the sample channels 24" x 6" by the depth of the gravel were run through a test plant, several channels were combined when run. The test plant consisted of hopper, sluice, scavenger Pan American jig (no shot was used) and a second sluice. The panner removed the concentrate trapped by the first sluice and panned, amalgamated and weighed the gold recovered. Samples were reported running $1.25 - 20¢ per cubic yard. These rougher concentrates were divided to 1/32 and samples were given the operator and 2 samples for the Bureau of Mines. Judge samples were stored and "rejects" saved for a composite sample to be run at the close of the project.

Attached is a sheet "Procedure of Sampling."

Maps, and graphs were prepared of the work done. The assay reports are not completed.

September 1951

PROCEDURE OF SAMPLING

Trenches to bedrock are excavated by caterpillar or dragline across designated areas of the creek gravels approximately 150' x 9' x 3'-20'. Channels are picked every 10'--dimensions 18"x6" by depth of gravel (overburden through bedrock either 7-18" as determined by certified panner).

The gravel is estimated by volume and 2800 lbs. is regarded as 1 cubic yard. The gravel is loaded in buckets to a canvas on a truck bed and trucked to a loading platform directly by the hopper of the testing plant. Gravel is slowly shoveled to hopper and washed carefully and large rocks thrown out and canvas washed. Hopper plate has 3/8" holes. Concentrates drop through holes (specific gravity weight of metals is high) into a sluice running water controlled by valves. Sluice contains riffles made of expanded metal over 6 layers fly screen. The gangue and concentrates not trapped by riffles run further to a pulsating Pan American jig. The bed of the jig is made new each time a run is made. The concentrates running through the jig are caught in tubs containing buckets under each jig hutch for safety. Attached to the jig is another sluice to trap stray values. Tailings are run off to the ground.

Clean Up:

The fines in the riffle are panned for gold, the gold amalgamated by hand and the fines put into a tub with the concentrates from the jig. The bed of the jig from the run is washed over a screen into a tub and material in the tub added to the concentrates as above outlined. These rougher concentrates are dried, weighed in ounces and halved by quartering equipment. One half of reject is sacked, numbered and stored. The other half of it is quartered and halved equalling 1/8. The 1/8s are halved equalling 1/16. The 1/16s are halved equalling 1/32 (unless the concentrates volume is small). Four samples representing 1/32 each of the total rougher concentrates are sacked and sealed, one for the operator's (Keenan Properties, Inc.) assayer and one for checking. Two are for the Bureau of Mines assay. Judge samples are 1/8 of the half divided and judge samples are sealed and stored.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF 8/16 - 9/15/51

Name of operator Keenan Properties
Project No. DMA 654X, Contract Idm E-58
Total contract amount $100,000
Government participation percent 90%

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface Jig man	1		$400/month	$ 335.40
Samplers	1		$400/month	335.40
Assayers ~~xxxx~~ Sample helpers	6		$1.15/hr.	601.29
Shift bosses ~~xxxxxxx~~ Truck driver	1		$350/month	323.08
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager	1			384.00
Superintendent				
Engineers	1			75.00
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other Camp and boarding house	1		$150/month	152.75
Total	12			$ 2,206.92

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by D. H. Mueller
Entered by D. H. Mueller
Approved by D. H. Mueller Supervising Engineer
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF 8/16 - 9/15/51

Name of operator Keenan Properties
Project No. DMA 654X, Contract Idm E-58
Total contract amount $100,000
Government participation, percent 90%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting Supervision	$384.00		$67.97	$181.22	$633.19					
Crosscutting Engineering	75.00			30.81	105.81					
~~Raising~~ Camp & Boarding House	152.75	$25.00	243.88		421.63					
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching		2473.00		160.79	2633.79					
Sampling and assaying	$1595.17	~~4417.66~~ 1944.66 (*see)	354.80	729.42	4624.05					
Roads and trails										
Test pits										
Other (specify)										
Totals	$2206.92	$4442.66	$666.65	$1102.24	$8418.47					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by D. F. Mullen
Entered by D. F. Mullen
Approved by D. F. Mullen Supervising Engineer
Remarks

* Re: Memo from Mullen - 10/31/51

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Keenan Properties
(Name of Company)

By _____
(Signature of Authorized Official)

August 24, 1951
(Date)

_____
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—84068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Keenan Properties
Project No. DMA 654X, Contract Idm E-58
Total contract amount $100,000
Government participation percent 90%

Distribution of Expenditures for Month of July 16 - August 15, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	$3517.41	None	$3517.41	3517.41	None	3517.41
Equipment purchase [1]	41.53	"	41.53	41.53	✓	41.53
Equipment rental [2]	2145.59	"	2145.59	2145.59	✓	2145.59
Buildings						
Explosives						
Repair parts						
Other supplies	378.50	"	378.50	378.50	✓	378.50
Power						
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work						
Other (specify)	191.33	"	191.33	191.33	✓	191.33
Total	$6274.36	None	$6274.36	6274.36	✓	6274.36
Totals previously reported	None		None	None	✓	None
Totals to date	$6274.36		$6274.36	6274.36	✓	6274.36

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Amount approved for payment D. J. Mullen Supervising Engineer
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF 7/16 - 8/15/51

Name of operator Keenan Properties
Project No. DMA 654X, Contract Idm E-58
Total contract amount $100,000
Government participation percent 90%

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
~~Xxxx~~ Truck Driver	1		$350/mo.	$ 251.91
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager	1			154.00
Superintendent				
Engineers	1			3000.00
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other: Camp & boarding house	1		$150/mo.	111.50
Total				$3517.41

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by L. E. Shaffer
Entered by
Approved by D. F. Mullen Supervising Engineer
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF 7/16-8/15/51

Name of operator Keenan Properties
Project No. DMA654K, Contract Ign E-80
Total contract amount $100,000
Government participation, percent 90%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting Supervision	$ 154.00	$ 480.00	$ 38.01	$ 81.33	$ 753.34					
Crosscutting Engineering	3000.00				3000.00					
Raising Camp & Boarding House	111.50	202.57	319.23	110.00	743.30					
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching	138.86	702.09	21.26		862.21					
Sampling and assaying		93.41			93.41					
Roads and trails	93.08	769.05			862.10					
Test pits										
Other (specify)										
Totals	$3517.41	$2187.12	$ 378.50	$191.33	$ 6274.36					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by L. E. Shaffer
Entered by
Approved by D. H. Mullins Supervising Engineer
Remarks

FEB 1 1965

Miss Peggy Keenan
President, Northwest Beryllium Corporation
Room 240, American National Bank Building
Rapid City, South Dakota

Re: DMEA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract Idm-858

Dear Miss Keenan:

In reply to your inquiry of January 22, 1965, sent to our Denver office, all minerals mined or produced from the land in the contract are subject to the Government's percentage royalty until July 16, 1966. You will be officially notified when the contract lapses.

Sincerely yours,

George Yumich, Jr.

Acting Director

GCSelfridge/gla (2 -1-65)
cc to: Director's Reading File
Docket
Region III
Mr. Selfridge
CA&A Division
120M

CERTIFIED COPY

MME Form 14
Sept. 1958

Contract No. Idm-E) 58
~~14r23~~)

Docket No. DMEA) 654
~~MME~~)

Date of Action July 23, 1959

Terminated Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:
Northwest Defense Minerals
Spearfish, S. D.

Date of Contract	Region	State	Commodity
July 16, 1951	XII	South Dakota	Tin, Columb.Tanta Tungsten

	Reserve	Obligation
Prior Amount	0	044,037.00
Increase	0	0
Decrease	0	14,891.99
Revised Amount	0	029,145.01

Remarks:

cc: 800
210

43244

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Miss Peggy Keenan, President
Northwest Defense Minerals, Inc., Assignee
No. 1 D
1322 Second Avenue
New York 21, New York

Pursuant to the provisions of Exploration Project Contract No. Idm-558, dated July 16, 1951 (Docket No. DMA-654), hereinafter called the "contract," between the Northwest Defense Minerals, Inc., a Maryland corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Placer gravel deposits containing tin, columbium-tantalum, and tungsten minerals were penetrated and exposed by the project work along Bear and Beaver Creeks. Churn drilling, test pitting, trenching, and sampling provided sufficient data to calculate reserves of tin, columbium-tantalum, and tungsten.

THE UNITED STATES OF AMERICA

Dated: MAY 29 1959

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

FLKnouse/fw/GCSelfridge/hb (5/21/59)
Copy to: Docket
Dir. Read. File
OME Field Team, Reg. III (2)
Frank D. Lamb, Rm. 3608
T. H. Kilsgaard, Rm. 5222
Operating Committee
F. E. Johnson
Div. of Contr. Admin. & Audit
F. L. Knouse (2)
Finance Officer

-continued-

[illegible]

[illegible]

To: [illegible]

[illegible]

[illegible]

[

DMEA-654, Idm-E654, certification (contd.)

Copies also to:

Miss Peggy Keenan, c/o W. C. Broadgate, 421 Tower Bldg., Washington 5, D. C.
Miss Peggy Keenan, d/b/a Keenan Properties, No. 1 D, 1322 Second Avenue, New York 21, New York
Miss Peggy Keenan, d/b/a Keenan Properties, c/o W. C. Broadgate, 421 Tower Bldg., Washington 5, D. C.
Mr. James Everett Bacon, vice president, Northwest Defense Minerals, Inc., 600 Woodside Parkway, Silver Spring, Md.
Mr. W. O. Fillmore, Spearfish, South Dakota.
Mrs. Lillian G. Fillmore, Secretary-Treasurer, Dakota Tin and Gold Co., Spearfish, S. D.
Mrs. Lillian G. Fillmore, Spearfish, S. D.
Mr. Ross J. Beatty, Jr., president, Black Hills Tin Co., 332 South Michigan Ave., Chicago 4, Illinois.
Mr. Clarence A. Fredell, Dir., Technical Research & Dev. Div., GSA, Washington, D. C.

Division of Contract Adm. & Audit

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

MAY 29 1959

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
No. 1 D
1222 Second Avenue
New York 21, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-458

Dear Miss Keenan:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from July 16, 1951, to July 16, 1966, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

Payments should be made to the Executive Officer, OME Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 15(d) in Annex I of the contract

relating to the preservation of the Government's right to a percentage royalty on production. Also, when production starts please notify the Executive Officer. Thereafter, if production ceases for an extended period, he should be informed accordingly at six-month intervals.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

FLKnouse/Cmc
May 13, 1959

cc: Docket
Director's Read. File
O&M Field Team, Region III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Killgoord, Rm. 5224
Division of Contract Adm. & Audit
Frank E. Johnson
F. L. Knouse

Miss Peggy Keenan
c/o R. C. Brondrete, 421 Tower Bldg., Washington 5, D. C.
Mr. James Everett Bacon, Vice Pres.
Northwest Defense Minerals, Inc., 600 Woodside Parkway, Silver Spring, Md.
Mr. W. O. Fillmore
Spearfish, S. D.
Miss Lillian C. Fillmore, Secy-Treas.
Drkote Tin and Gold Co., Spearfish, S. D.
Miss Lillian C. Fillmore
Spearfish, S. D.
Mr. Ross J. Beatty, Jr., President
Black Hills Tin Co., 332 South Michigan Ave., Chicago 4, Illinois

MAY 29 1959

Miss Peggy Keenan
d/b/a Keenan Properties
No. 1-D
1322 Second Avenue
New York 21, New York

Re: Docket No. [illegible]-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. [illegible]-E58

Dear Miss Keenan:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the subject contract dated July 16, 1951, the assignment of which to Northwest Defense Minerals, Inc., was approved by the Government on December 13, [illegible], without releasing you from any of the terms, provisions, and conditions of the contract. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act nor to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transfers or leases of any part of your interest in the land or the production therefrom. In the event the Operator fails to pay any royalty due to the Government from production during that period, the Government may look to you for payment thereof.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

FLKnouse-fw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
F.D.Lamb, Rm. 3608
T.N.Killegaard, Rm.5224
Audit Div.
F.E.Johnson
F.L.Knouse (2)
Chron.
Miss Peggy Keenan
c/o W.C.Broadgate
421 Tower Bldg.

MAY 20 1959

Mr. W. O. Fillmore

Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-458

Dear Mr. Fillmore:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Landlord's Subordination Agreement dated June 16, 1951, the Owner's Consent to Lien dated October 16, 1952, and two Owner's Consents to Lien dated July 26, 1954, all signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

FLKnouse/fw-5/13/59
cc: Docket
Dir.Read.File
Finance-Office
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kilsgaard, Rm. 5924
Div. Contract Adm. & Audit
F.E. Johnson F.L.Knouse (2) Chron.

MAY 20 1959

Mrs. Lillian G. Fillmore
Secretary-Treasurer
Dakota Tin & Gold Company
Spearfish, South Dakota

Re: Docket No. DMA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Ida-258

Dear Mrs. Fillmore:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Landlord's Subordination Agreement dated June 16, 1951, and Owner's Consent to Lien dated October 29, 1954, signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Acting Director

Enclosures

FLKnouse/fw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F. E. Johnson F.L.Knouse (2) Chron.

MAY 29 1959

Mrs. Lillian G. Fillmore

Spearfish, South Dakota

Re: Docket No. DMA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Kenson Properties
Lawrence County, South Dakota
Contract No. Ida-258

Dear Mrs. Fillmore:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on July 26, 1954. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

FLKnouse/tw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
I. H. Hilsgaard, Rm. 5224
Dev. Contract Adm. & Audit
F.E.Johnson F. L. Knouse (2) Chron.

MAY 29 1959

Mr. Ross J. Beatty, Jr., President
Black Hills Tin Company
332 South Michigan Avenue
Chicago 4, Illinois

Re: Docket No. [illegible]A-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. [illegible]-358

Dear Mr. Beatty:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consents to Lien dated October 14, 1958, and August 26, 1958, both signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures
FLEnouse/fu-5/13/59

cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3609
T. H. Kiilsgaard, Rm. 5028
Div. Contract Adm. & Audit
F.E.Johnson
F. L.Enouse (2)
Chron.

MAY 29 1959

Mr. Clarence A. Fredell, Director
Technical Research and Development Division
Defense Materials Service
General Services Administration
4020 GSA Building
Washington 25, D. C.

Re: Docket No. [illegible]
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Lessee)
Keenan Properties
Lawrence County, South Dakota
Contract No. [illegible]

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The final report of the Field Team and final accounting of funds expended on this project have not been completed. When these reports are received, we will supply additional information relating to this project for your records.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosure

FLKnouse/fw-5/13/59
cc: Docket
Mr. Read, File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F. L. Johnson F. L. Knouse (2) Chron.

A[illegible]it's copy

C[illegible]

8/12 H.J. 225 800

TERMINATION AGREEMENT

It is agreed this 15th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Northwest Defense Minerals, Inc., assignee, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E58, Docket No. DMEA-654, dated July 16, 1951, as amended, hereinafter called the "Contract", that:

1. Effective November 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Operator shall furnish the Government with all of the materials excavated from all churn drill holes (drill cuttings) for transporting to a qualified independent laboratory, and for processing and analyses of samples.

3. In lieu of concentrating the metals and minerals from the material recovered from the churn drill holes by the method referred to in Paragraph 2 of Amendment No. 12, and as set forth in the Flow Sheet referred to and attached to amendment No. 12, the metals and minerals may be concentrated as set forth in the attached Flow Sheet entitled "Acceptable Alternate Flow Plan Northwest Defense Minerals, Inc., Lawrence County, South Dakota".

The material recovered from each churn drill hole shall be processed into two individual concentrate samples as follows:

(a) All material recovered from the collar of the drill hole to the bottom of the sampling interval above bedrock; and

(b) All the material recovered from the bottom of the sampling interval (item (a) above, including bedrock) to the bottom of the next sampling interval.

(c) A representative split of each concentrate sample shall be assayed for tin, columbium-tantalum, tungsten, and gold, and a representative split of each concentrate sample shall be furnished the Operator.

4. One representative concentrate sample furnished by the Operator which was recovered from each test pit shall be assayed for tin, columbium-tantalum, tungsten, and gold.

5. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account, and shall contribute its pro rata share of the costs incurred by the Government in connection with the transportation and analysis of samples as provided in paragraphs numbered 2, 3, and 4 of this Termination Agreement. The Operator, upon payment of its pro rata share of the costs incurred by the Government, shall be furnished with a copy of the laboratory report.

6. The Government shall contribute to the allowable costs incurred prior to said effective date, and shall contribute to the allowable costs incurred beginning with said effective date and ending not later than January 1, 1959, in performing winding-up and settlement actions, including the making and rendering of a comprehensive final geologic and engineering report. The necessary cost of this work may be paid from any funds allotted to the project which have not been expended.

7. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

8. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.

By _____

Title _____

EXTRA COPY O. M. E. RECEIVED JAN 29 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
January 26, 1959

AIRMAIL CERTIFIED

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.,
No. 1 D, 1332 Second Avenue
New York, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Item 5 of the Termination Agreement, dated August 15, 1958, provides that the Operator shall promptly perform all winding-up actions, including the rendering of the final engineering and geologic report and final accounting report.

We wish to direct your attention to Item 6 of the Termination agreement, which provides that the Government will contribute only to the allowable costs of winding-up actions which are incurred not later than January 1, 1959.

It is imperative that the account be closed at the earliest possible date, therefore your immediate attention in rendering five copies of a final engineering and geologic report and final accounting report is requested.

Please reply to this office by return mail giving a firm commitment as to the date on or before which we can expect to receive your final engineering and geologic report and final accounting report.

Very truly yours,

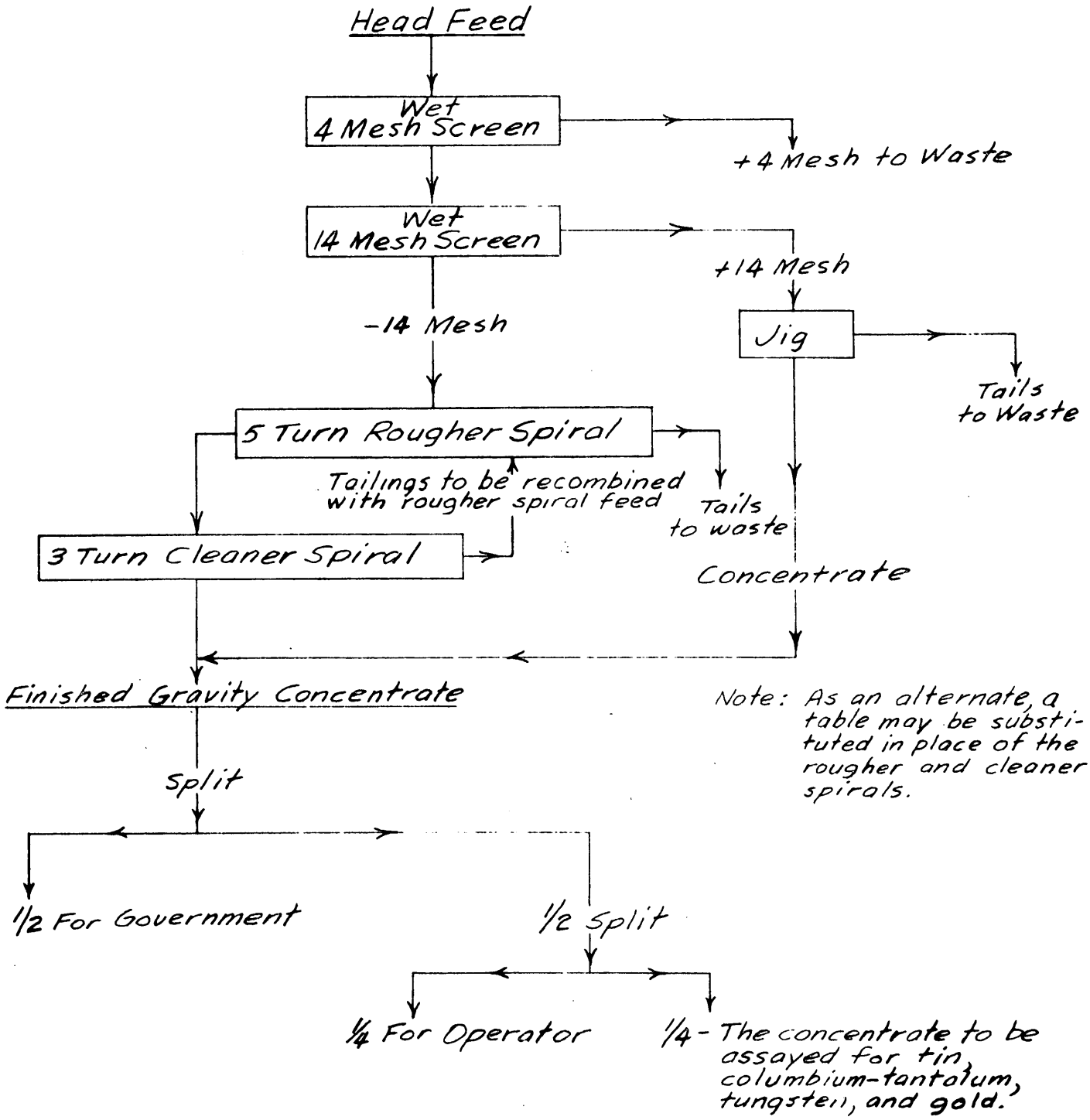
Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres.file, Reg. III
Cooper
Chron



Acceptable Alternate

Flow Plan

Northwest Defense Minerals, Inc.

Lawrence County, South Dakota

Docket DMEA-654 Contract Idm-E58

224 New Customhouse
Denver 2, Colorado
July 30, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. DMe-558, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

Enclosed are the following, pertaining to the subject contract:

(a) The original and one copy of the Operator's letter of July 24, 1958.

(b) Two copies of a tabulation showing status of project funds as originally apportioned.

(c) Two copies of a memorandum, dated July 16, 1958, from E. O. Rinyon, Mining Engineer, Bureau of Mines, which is in reference to processing the drill hole samples.

(d) Two copies of a memorandum, dated July 28, 1958, from E. O. Rinyon, Mining Engineer, Bureau of Mines, also relative to processing the samples.

(e) Two copies of a flow sheet which we propose to submit for bids for processing of the churn drill sample material.

In reference to the Operator's letter, under item (a) above, the matters are discussed below in the order itemized in the Operator's letter:

1. The Operator's accounting report, covering the work performed in 1957, cannot be processed until the TERMINATION AGREEMENT is executed, as noted in the last paragraph on the first page of our memorandum to you, dated May 23, 1958. Furthermore, we are

still of the opinion that the entire amount of Government participation in these costs should be withheld to cover the Operator's portion of the sample processing cost and to provide some leverage to force the Operator to render its final report. For other prior correspondence in the matter, you are referred to the memoranda from this office, dated March 17 and May 21, 1958.

2. Regarding the termination date, the Operator is apparently referring to item 3 of the Termination Agreement relative to Government contribution to the cost of winding up operations. It is assumed that the analytical work is to be considered as a part of the winding up operations. The Operator is definitely at fault for not having completed the analytical work on the test pit concentrates. However, as the Operator was not made aware of the provisions of the Termination Agreement until after July 24, 1958, we recommend that the time fixed during which the Government will contribute to the allowable costs of winding up operations be extended from August 1, 1958 to November 1, 1958.

3. The analytical work is a separate item in the contract, for which reimbursement cannot be made until the work has been accomplished and an appropriate accounting report is received from the Operator. Also, the test pit sample concentrates must be analyzed and the results furnished to us before we would be willing to reinstate the previously suspended costs of 6-1/4 feet of test pit sinking.

4. No action or reply necessary.

Referring to the tabulation under item (b), it cost $537.24 to have the churn drill hole samples transported to Denver Federal Center for temporary storage while bids are being obtained for processing of the material. It may cost as much as an additional $100.00 to have the material moved to the site of the successful bidder.

As you will note in the tabulation, there may be sufficient funds remaining under "Analysis" to pay for such in conjunction with processing the material. However, there definitely are not sufficient

funds under "Contingencies," plus the small amount under "Drilling" of the eighteen holes, to cover processing costs. It appears that the "Estimate of Costs" in the contract will have to be amended or adjustments made to provide additional funds specifically to cover the processing costs.

The bids referred to in Mr. Binyon's memorandum of July 16, under item (c), were verbal estimates; therefore are not considered as firm commitments. Regular bid invitations are in process of preparation and will be circulated upon receipt of advice from you after you review this letter.

Referring to the memoranda from Mr. Binyon, under items (c) and (d), he is of the opinion - in which we agree - that processing of the material from the drill holes in the Bear Creek Area will not give conclusive results on which to base ore reserves value or tonnage computation, because of the erratic nature of the samples. Also, the practical approach would be to process and analyze the sample material on short sample intervals, which would permit a determination as to the most valuable portion of the gravel. However, such is not provided for in the contract.

You may consider that we have obligated the Government to process all of the drill sample material from both areas, since we have taken it from the Operator. However, if possible, it is recommended that we forego further work or expense in conjunction with the drill hole samples, especially those from the Bear Creek Area. In addition, since the Operator is delinquent in performing the analytical work on the test pit sample concentrates, it is recommended that the Government have the analysis made from its split of the test pit concentrates and that the Operator be charged for its portion of the costs by deducting from future reimbursement.

In reference to the flow sheet, under item (e), the process deviates slightly from contract provisions. If we are to continue with the processing of the material from at least the Beaver Creek Area, do you consider it necessary to amend the contract provisions contained in Exhibit "A" to Amendment No. 3, which was subsequently amended by Amendments Nos. 8 and 12?

You will note in Mr. Binyon's memorandum of July 28 that he recommends that the contract be amended to permit analysis for gold, in which this office concurs, as it is believed to simplify procedures and provide more accurate results.

As the matters relative to the Termination Agreement require action by your office, we are referring the Operator's letter to you

for consideration and reply, in entirety, direct to the Operator, as we believe a reply from your office will have greater effect.

When you have reviewed the matter, we will appreciate your comments and/or advice as to how we should proceed.

Original signed by
J. W. TOWNSEND
J. W. Townsend

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JWT:prl

cc: Harshman) w/copy of
DMEA/DFC (Binyon)) enclosures.
Corres. file)
Cooper
Chron.

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

New York, N.Y.,
July 24, 1958

CERTIFIED AIRMAIL

DMEA
DEPARTMENT OF THE INTERIOR
JUL 25 1958
REGION III
DENVER COLORADO

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U.S. Department of the Interior,
224 New Customhouse,
Denver, Colorado.

Dear Mr. Townsend:

Your letter dated July 21, 1958 just received with enclosed four copies of Termination Agreement dated April 2, 1958.

Northwest Defense Minerals, Inc. is ready to sign the Termination Agreement. Because of the delay in transporting the churn drill hole samples by Buckingham, due to snow and bad roads, causing the lapse of time between April 2 and the effective date of August 1, 1958 (which date is now at hand), we wish to call your attention to the impossibility of performing paragraphs 3 and 4 of the Termination Agreement by August 1, 1958. Although we are ready to sign the Termination Agreement, our corporation first wishes to be advised on the following points:

1. After signing the agreement and transmitting it, when and how much of the 1957 agreed reimbursable funds is the Denver DMEA going to release to Northwest Defense Minerals, Inc. ?

2. What is the DMEA going to arrange as a Termination date in view of all the facts and loss of time between April 2, 1958 and August 1, 1958 ?

3. The corporation has waited for months for the 1957 reimbursable expenditures. The assays as per agreement and report 4 on the caisson gravels have not been made as yet. This expenditure is a reimbursable item. What do you advise about this ?

4. The operator, Peggy Keenan, is in New York to receive funds for operating capital. As the only person having access to the records,it is necessary to be in South Dakota to arrange wind-up work. We expect to be in Spearfish about September 15, 1958. We spoke to Mr. Knouse, DMEA, Washington, D.C., and he advised this letter to be sent at once.

Please arrange extension and advise on reimbursement of 1957 expenditures.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan.

Peggy Keenan,
President.

PK-r

cc. Mr. Knouse, DMEA
Washington, D.C.

Idm-E58
DMEA 654X
Northwest Defense Minerals, Inc.

STATUS OF PHASE II UNITS AND COSTS AS OF 7/29/58

Item	Total Authorized		Acceptable Units and Costs: Acceptable units and costs reimbursed to date ($100.00 withheld)		Acceptable Units and Costs: Acceptable units and costs reported but 1/ not yet reimbursed		Acceptable Units and Costs: Total acceptable units and costs		Balance	
	Units	Costs	Units	Costs	Units	Costs	Units	Costs	Units	Costs
Churn Drilling	1600'	$ 8,800.00	348.5'	$1,742.50	0	$ 0.00	348.5'	$1,742.50 2/	1251.5'	$ 7,057.50 2/
Test Pits	180'	4,500.00	25.25	631.25	6.25 3/	156.25 3/	31.5'	787.50	148.5'	3,712.50
Supervision	100 Days	5,000.00	37 D.	1,850.00	13.5 D.	675.00	50.5 D.	2,525.00	49.5 D.	2,475.00
Gas & Oil		350.00		178.14		30.71		208.85		141.15
Truck Rental		560.00		0.00		0.00		0.00		560.00
Meals - Quarters		5,496.00		773.94		11.04		784.98		4,711.02
Travel		1,000.00		308.92		0.00		308.92		691.08
Analyses	89 spls	2,225.00	6	338.00	0	0.00	6	338.00	83 spls.	1,887.00
Contingency		2,000.00		1,141.35		537.24 4/		1,678.59		321.41
TOTALS		$29,931.00		$6,964.10		$1,410.24		$8,374.34		$21,556.66

1/ Includes costs reported on Form MF-104 for the period from October 4, 1957 through November 3, 1957, processing of which is deferred pending execution of the proposed Termination Agreement

2/ Only $174.25 available for processing of churn drill samples within maximum allowance unit cost of $5.50/ft. for 348.5 ft.

3/ 6.25' test pitting previously disallowed, but acceptable upon receipt of analytical results for balance of Test Pit samples

4/ Cost of transporting churn drill samples to Denver - Commercial B. L. converted to Govt. B. L.

DMEA
DEPARTMENT OF THE INTERIOR

JUL 17 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 16, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

From: E. O. Bingen

Subject: Docket DMEA 69A (Tin, Columbite-Tantalite-Tungsten) Contract Idm-E58
Northwest Defense Minerals, Inc. (Rankins Mining District)
Lawrence County, South Dakota -- Concentration Tests of Churn
Drill samples from Bear and Beaver Creeks

Up to date the operator has completed concentration tests on the gravel excavated from the pits on Bear and Beaver and only the samples from the 9 churn drill holes on Bear Creek and 9 on Beaver Creek remain to be concentrated.

Under Amendment No. 3, Exhibit "A" (Amendment) Phase II the work set up was designed to test the gravel on 70 flats Placer on Bear Creek and Placer 392, Upper Beaver Creek and W. O. Fillmore extension contiguous to Placer 392. As stipulated the first row of holes and one test pit to check the holes were to be drilled and dug as an initial test of these areas. If the results warranted, additional drilling and test pitting was to be done at intervals of 1500 to 2000 down each creek.

The samples of gravel from the pits on both creeks have already been concentrated by the operator and these samples are, in my opinion, more representative of the gravel than the samples from the churn drill holes. This is particularly the case for the samples from the holes on Bear Creek, most of which penetrated bed rock for a considerable distance and therefore make the samples worthless. Since the gold values recovered by the concentration tests were too low to be economic (38.9 cents per cu. yd. (gold value only) from bed rock in the Beaver pit, the highest value, and 3.39 cents per cu. yd. (gold value only) from the lower part of the Bear Creek pit, the lowest) it is believed that concentration of the churn drill hole samples which are practically worthless for evaluating the advisability of further work should not be done and expenditure of $2,000 to $2,500 for concentrating these samples does not appear to be warranted.

However should it be considered advisable to have the samples concentrated the following data on cost and flow sheet is presented.

Bids for processing the gravel were obtained from three firms:

	Processing	Analytical	Total
Humphrey's Gold Corp.	$1500	$700	$2200
A. T. Sweet	2650	350	3000
Colorado School of Mines Research Foundation	3000	2200	5200

Since Humphrey's Gold Corporation submitted the lowest of the three they were contacted by telephone May 16, 1958 and requested to submit a flow sheet for the proposed test work. A copy of their reply and the proposed flow sheet are attached.

In the flow sheet submitted by Humphrey two changes have been made from the flow sheet authorized by the amended contract. These are

1. 2 screens, 4 and 14 mesh, are substituted for the trommel and classifier.
2. 2 spiral units, 1-5 turn and 1-3 turn, are used instead of the 1 unit in the operator's flow sheet.

The flow sheet proposed by Humphrey, while not conforming to the contract, will, in my opinion, work as well if not better than that approved under the amended contract. It is recommended that, if it is necessary, the contract be amended or an approval be granted to use this flow sheet for concentration of the samples.

E. O. Rinyon
E. O. Rinyon
Mining Engineer

EOR/mr
cc: 9
IGn-858
chron

DMEA
DEPARTMENT OF THE INTERIOR

JUL 30 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 28, 1958

Memorandum

To: Acting Alternate Executive Officer, DMEA Field Team, Region III

From: E. O. Bingon

Subject: Docket DMEA 694 (Tin, Columbite, Pancalite, Tungsten) Contract Ill-658 Northwest Defense Minerals, Inc. (Rawlins District) Lawrence County, S. Dak.

The churn drill hole samples from the holes drilled by the operator on Bear and Beaver Creeks were received by the Bureau of Mines July 7, 1958. In checking the samples it was noted that three samples, two from Hole 8, Bear Creek, (intervals 6 to 12 and 24 to 30 feet) and one from Hole 9, Bear Creek (interval 12 to 18 feet) were missing. Also two of the samples, one from Hole 1, Bear Creek, (interval 18 to 22½ feet) and one from Hole 3, Bear Creek, (interval 18 to 20½ feet) are apparently labeled incorrectly and should be 21 to 22½ feet for the sample from Hole 1 and 24 to 20½ feet for the sample from Hole 3.

In the opinion of the writer there is some doubt as to whether the samples from the holes on Bear Creek should be concentrated, inasmuch as it is believed that all nine holes were drilled into the bed rock from a minimum of 5 feet to over 20 feet in some of the holes. This over drilling was in part due to the softness of bed rock, the inexperience of the driller and operator, and the fact that the churned gravel samples were difficult to distinguish from the churned bed rock.

After the holes had been drilled, a test pit located approximately 2½ feet north of the row of holes was sunk to a depth of 6.2½ feet where it encountered bed rock. The operator's engineer, however, claimed that the pit had encountered a reef or ridge or a large boulder and not true bed rock. In order to determine the true depth, another pit located a few feet south of the row of holes between holes No. 1 and No. 4 was sunk to a depth of 7 feet where bed rock was again encountered. Based on the depth of the test pits, it is apparent that the samples from the intervals below 7 feet in the holes are worthless and as the samples were taken in 6 foot intervals, the next lower or 6 to 12 foot interval would include 5 to 6 feet of valueless bed rock. The only samples of any value are from the 0 to 6 feet interval in the holes and to combine all samples and use the combined sample for concentration would give entirely erroneous results.

It is therefore recommended that the samples from the churn drill holes on Bear Creek not be concentrated. However, should it be decided to process these samples, then it is suggested that only the samples from the 0-6 feet interval in the 9 holes be used. The samples from the holes on Beaver Creek were correctly taken and if concentrated, the results could be used in calculating value and yardage.

It is further recommended that the alternate acceptable Flow Plan shown on the accompanying drawing be used for concentrating the samples, if it is decided that the work is warranted.

It is noted that the contract specifies that "The contained tin, tantalum, columbium, tungsten, gold and other metals shall be concentrated by panning and the free gold values separated and estimated as value per cubic yard." It is suggested that the contract be amended to delete this clause and to permit assaying for the gold as well as tin, etc. instead of estimating its value. The added cost at $1.50 per sample would be negligible and the results would be reliable.

In considering the cost of the processing, (at least $2,000.00 not including the cost of transportation to the processer) and the value of the results for computing yardage and value of the placers, it is believed that the processing is not warranted and that it would be advisable to terminate the contract.

E. O. Binyon
Mining Engineer

EOB/mw
cc: 9
Idm-EBS
Carron

Government's Copy

RECEIVED
OCT - 5 1956

EXPLORATION PROJECT CONTRACT
NORTHWEST DEFENSE MINERALS, INC., Assignee
DOCKET NO. DMEA-654

Amendment No. 15

It is agreed this 19th day of September, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Northwest Defense Minerals, Inc., Assignee, that Exploration Project Contract No. Idm-E58 (Docket No. DMEA-654), dated July 16, 1951, as amended, is hereby further amended as follows:

> The time for completion of the work specified in the Contract, as amended, is extended to November 15, 1956, but only for the purpose of completing the processing of, and analytical work on, the samples from test pits and drill holes completed prior to January 1, 1956.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.

By Peggy Keenan

Title President

Governm[illegible]t's copy

RECEIVED
SEP 14 1956

EXPLORATION PROJECT CONTRACT
NORTHWEST DEFENSE MINERALS, INC., ASSIGNEE
DOCKET NO. DMA-654X

Amendment No. 14

It is agreed this 6th day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Northwest Defense Minerals, Inc., Assignee, that Exploration Project Contract No. Idm-E58, dated July 16, 1951, as amended, is further amended, effective as of January 1, 1956, as follows:

1. In completing the processing of, and analytical work on, samples pursuant to Amendment No. 13 of June 14, 1956, the Operator shall perform six chemical analyses for tin, columbium-tantalum, and tungsten, and six assays for gold of sampled concentrate fractions recovered from the lower two feet in Test Pit No. 1 on Beaver Creek. The cost for the analyses and for extra copies of analytical reports thereof shall not exceed $348.

2. In addition to the work performed pursuant to paragraph 1 above, the following work shall be done on one combined concentrate sample recovered from the remaining material excavated from Test Pit No. 1 on Beaver Creek and on one combined concentrate sample from each test pit and drill hole described in Exhibit "A" under Phase II of the Contract, as amended by Amendment No. 3 of October 28, 1953:

> Each such sample shall be analyzed chemically for tin, columbium-tantalum, and tungsten; the free gold shall be separated from the combined concentrate samples; and the separate values per cubic yard of all minerals analyzed and recovered shall be estimated. The sample from each hole and test pit shall not be mixed with the sample of any other hole or test pit.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the allowable maximum cost of any item of work.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitchenor
Administrator, Defense Minerals Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.,
Assignee

By Northwest Defense Minerals Inc.

Title Peggy Keenan Pres

Government's copy

EXPLORATION PROJECT CONTRACT
NORTHWEST DEFENSE MINERALS, INC., Assignee
DOCKET NO. DMEA-654

AMENDMENT NO. 13

It is agreed this 14th day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Northwest Defense Minerals, Inc., Assignee, that Exploration Project Contract No. Idm-E58 (Docket No. DMEA-654), dated July 16, 1951, as amended, is hereby further amended as follows:

The time for completion of the work specified in the Contract, as amended, is extended to October 1, 1956, but only for the purpose of completing the processing of, and analytical work on, the samples from test pits and drill holes completed prior to January 1, 1956.

This Amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

THE UNITED STATES OF AMERICA

By O P Mittenbergs
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.

By Peggy Keenan

Title President

EXPLORATION PROJECT CONTRACT
NORTHWEST DEFENSE MINERALS, INC.
DOCKET NO. DMEA 654X
CONTRACT NO. IDM-E58

RECEIVED
FEB - 3 1956

AMENDMENT NO. 12

It is agreed this 6th day of January, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Northwest Defense Minerals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E58, Docket No. DMEA 654X, dated July 16, 1951, hereinafter called the "Contract," that:

> In lieu of concentrating metals and minerals by the method referred to in paragraph "1" of "Amendment No. 8", and as set forth in the flow sheet referred to and attached to "Amendment No. 8," the metals and minerals will be concentrated as set forth in the flow sheet identified by the caption "Nov. 4, 1955, Northwest Defense Minerals, Phase II," which is attached hereto and made a part of this amendment. Except as herein provided, the provisions of paragraph "1" of "Amendment No. 8" shall remain in full force and effect.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor any item of allowable cost which is expressly designated "allowable maximum."

Executed in sextuplet the day and year first above written.

UNITED STATES OF AMERICA

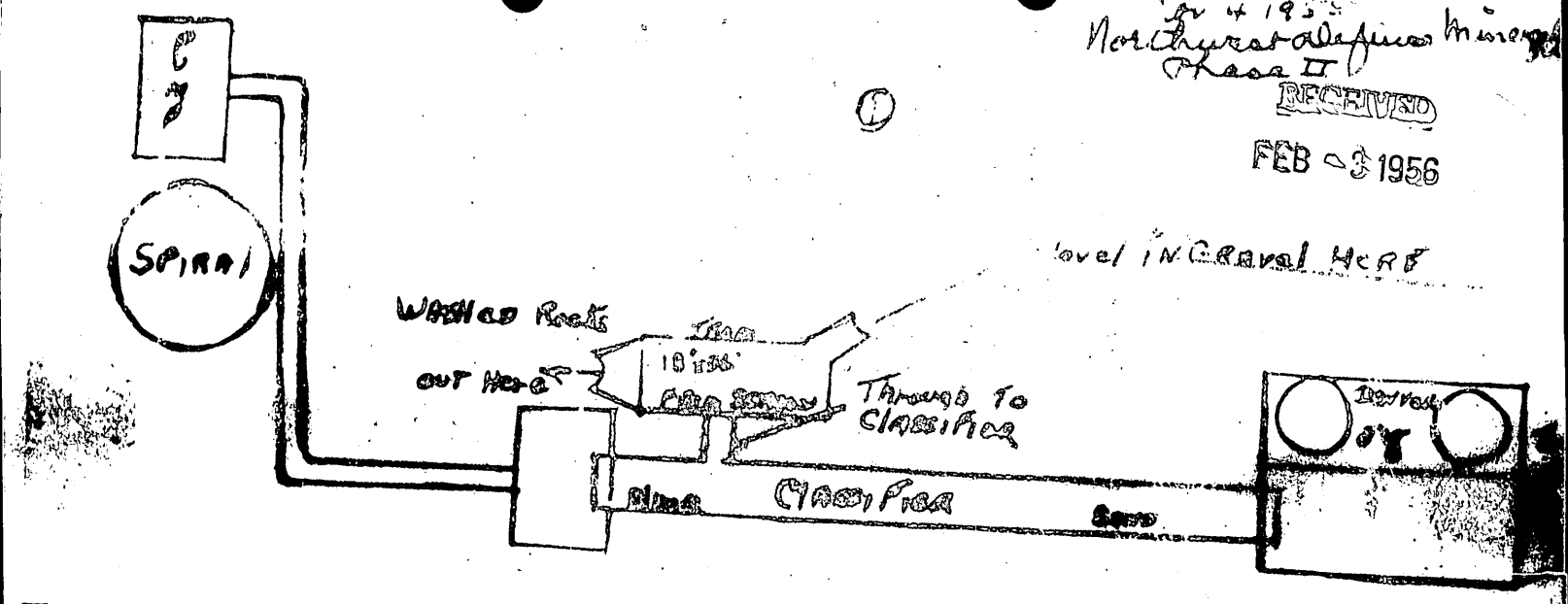
By W. M. Traver
W. M. Traver
Executive Officer, DMEA
Field Team, Region III

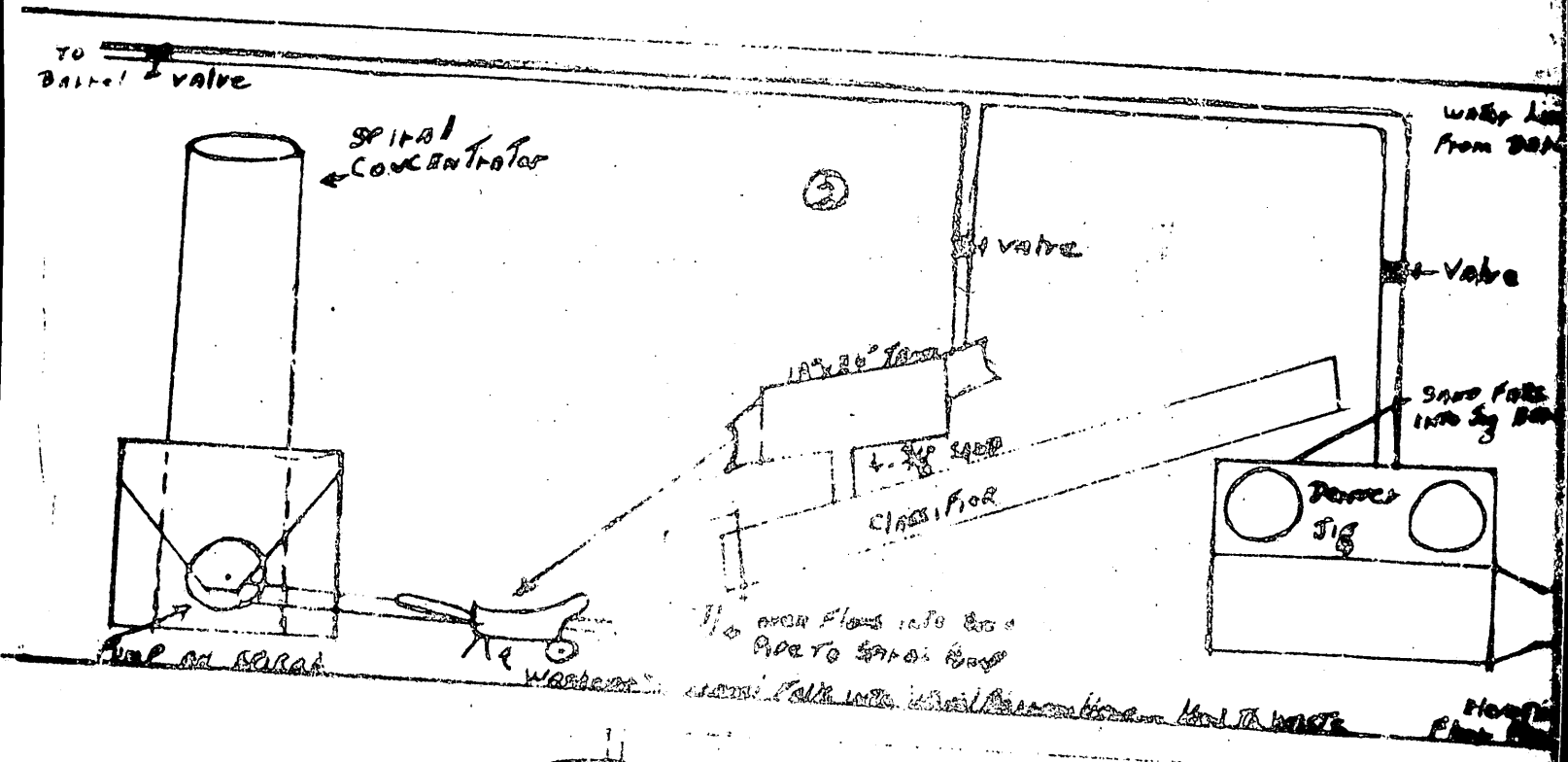
NORTHWEST DEFENSE MINERALS, INC.

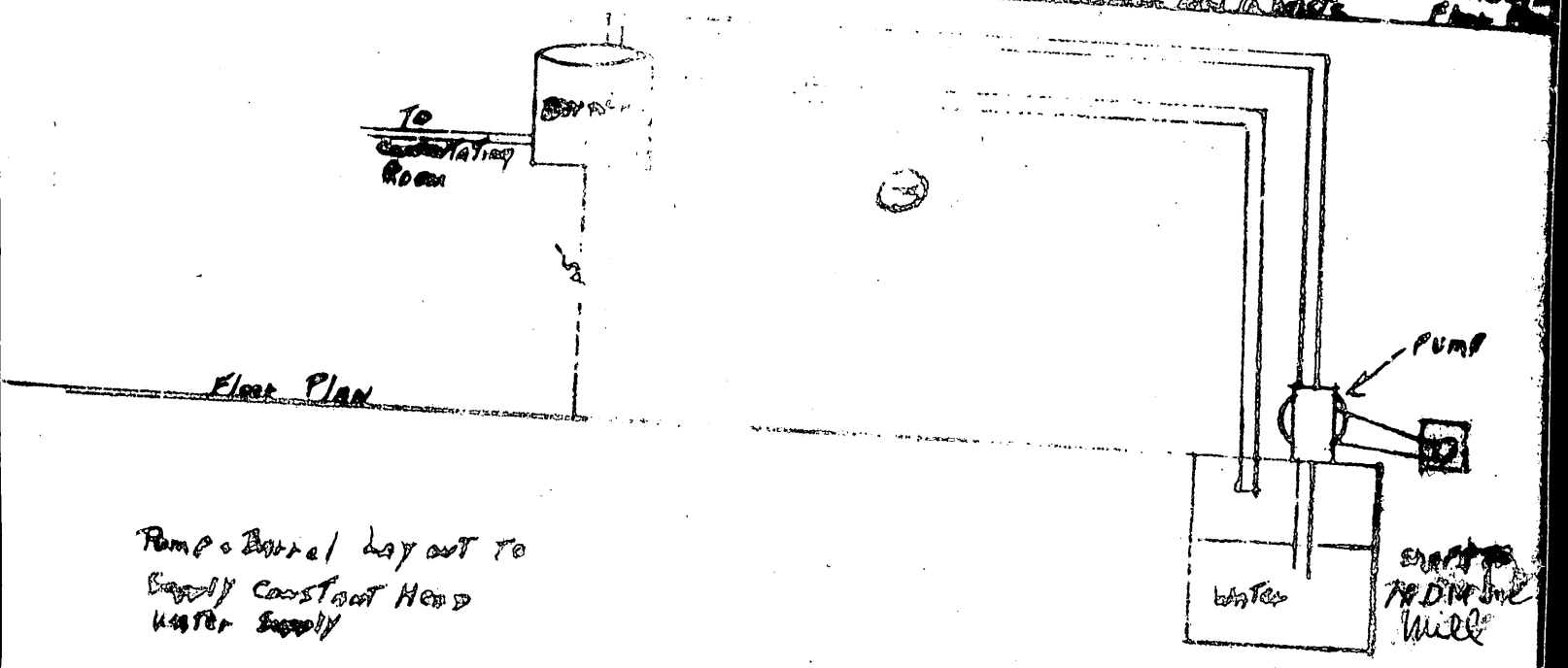
By Peggy Keenan President
Peggy Keenan, President

Northwest Alpine Mining
Phase II

RECEIVED
FEB 03 1956







Pump & Barrel Layout to Supply Constant Head Water Supply

Government's copy

AMENDMENT NO. 11
to
EXPLORATION PROJECT CONTRACT Idm-E58 (DOCKET NO. DMEA-654)
between
THE UNITED STATES OF AMERICA
and
NORTHWEST DEFENSE MINERALS, INC. (Assignee)

It is agreed this 16th day of December, 1955, that Contract Idm-E58 (Docket No. DMEA-654) as amended, is further amended effective as of September 22, 1955, as follows:

1. The Operator may elect to perform some or all of the work of sinking the 9 test pits authorized under Exhibit "A" attached to Amendment No. 3 dated October 28, 1952, either itself, or through independent contractors. The said work includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates.

2. Irrespective of whether the aforesaid work is done under independent contracts, or by the Operator itself, the maximum amount to which the Government will contribute shall be the actual cost, but not in excess of $25 per foot, for sinking not more than 9 test pits with a total footage of not more than 180 feet. The total maximum allowable cost for this work shall be $4,500.

3. The second paragraph of Item (1) under the heading "Estimated Costs of the Project," in Exhibit "A" attached to the aforesaid Amendment No. 3, is deleted.

4. No payment shall be made for any part of the aforesaid work on any test pit until the particular test pit shall have been completed.

5. The labor schedule for said work is waived.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

JAN 9 1956

By O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS,
INC. (Assignee)

By Peggy Keenan
President

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

COPY

RECEIVED
FEB - 8 1955

CERTIFIED MAIL

November 22, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: S. M. Runke

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

In reply to your memorandum of November 18, 1955 regarding the Northwest Defense Minerals, Inc. request to substitute a Humphrey Spiral in place of a Wilfley type table in their flow sheet for concentrating material excavated from test pits; I can see no reason for not allowing this substitution as I believe that a Humphrey Spiral will operate as efficiently as a table in recovering the subject minerals when employed as shown in the flowsheet submitted by the corporation on November 4, 1955.

With regard to a method for separating gold from the concentrates before they are analyzed, I do not believe that this is important since the gold can be readily separated by panning and amalgamation if desired.

I am returning herewith the set of data you sent with your memorandum, which consists of the following items:

Letter dated November 4, 1955, from Peggy Keenan, President, Northwest Defense Minerals, Inc., with attached copy of proposed concentrating installations;

Copy of memorandum, dated November 8, 1955, from this office to the Chairman, Operating Committee, DMEA;

Teletype from the Chairman, Operating Committee, DMEA, in reply to our memorandum of November 8;

Excerpt from Amendment No. 8 with attached flow sheet by G. W. Jarman, dated 3-22-54.

/s/ S. M. Runke

S. M. Runke

Enclosures

Government's copy

AMENDMENT NO. 10
To
EXPLORATION PROJECT CONTRACT Idm-E58
(DOCKET NO. DMEA-654)
Between
UNITED STATES OF AMERICA
and
NORTHWEST DEFENSE MINERALS, INC. (ASSIGNEE)

It is agreed that Contract Idm-E58 (Docket No. DMEA-654) is amended as follows, effective September 1, 1955:

In Exhibit "A" which is attached to Amendment 3 of this contract, item (7) Miscellaneous under the heading Estimated Costs of the Project is amended by deleting the following:

"Meals and quarters - 687 days
@ $8.00*/day $5,496.00"

and substituting the following:

"Meals and quarters - 687 man days
@ $8.00*/day $5,496.00

"This item applies to the following working crew:

1 Supervising Engineer
1 Cook
1 Truck-driver-bullcook
1 Driller (churn drill)
1 Driller helper (churn drill)
1 Panner
3 Miners - shaft crew, part time

and includes all costs of the following: wages of cook (and helpers, if any); food; all necessary cooking supplies and utensils; cost of rental, or such proportion of the purchase price, of cooking equipment as may be allocable to work under this contract; and rental of housing, except that no rental will be allowed for buildings on the property."

RECEIVED
NOV 25 1955

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate this 22nd day of November, 1955.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Administrator, Defense
Minerals Exploration
Administration

NORTHWEST DEFENSE MINERALS, INC.

By Joseph Keenan

Title President

Government's copy

EXPLORATION PROJECT CONTRACT
NORTHWEST DEFENSE MINERALS, INC., ASSIGNEE
DOCKET NO. DMA-654X

AMENDMENT NO. 9

It is agreed this 22nd day of September, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Northwest Defense Minerals, Inc., Assignee, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E58, Docket No. DMA-654X, dated July 16, 1951, as amended, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning as of the day after Phase I of the work was completed and ending not later than November 1, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is further extended from October 1, 1955, to January 1, 1956, except that if all work other than the analytical and metallurgical work is completed by January 1, 1956, the Government may grant a further extension of time for the sole purpose of completing the analytical and metallurgical work.

3. In Annex II to Amendment No. 8, the period for payment of the Government's percentage royalty is extended from "fourteen years" to "fifteen years."

4. It is of the essence of this Contract that the work be resumed before the termination of the period here

fixed for suspension, and if it is not so resumed:

(a) The Government shall contribute only to the costs of the work performed under Phase I; and all obligations of the parties under the Contract, except as otherwise provided under this Paragraph 4, shall be and are hereby terminated.

(b) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account; and the Government shall contribute its share of the reasonable costs of said work.

(c) All rights of the Government provided for in the Contract with respect to certification of discovery or development, and percentage royalty and lien for its payment are preserved.

5. It is of the essence of this Contract that the work be completed by January 1, 1956, except as otherwise provided in Paragraph 2 respecting the analytical and metallurgical work; and if it is not so completed, in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) The Government shall contribute only to the costs of the work performed under Phase I, and to the costs of work performed under Phase II prior to January 1, 1956, plus the costs of any analytical and metallurgical work the Government may approve for performance thereafter.

(b) All rights of the Government provided for in the Contract with respect to certification of discovery or development, and a percentage royalty and lien for its payment are preserved.

(c) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this amendment.

6. This agreement shall not be construed to increase the estimated total cost of the project nor the aggregate

total amount which the Government may be required to contribute under the provisions of the Contract.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS,
INC., Assignee
Northwest Defense Minerals, Inc

By Peggy Keenan
Peggy Keenan
President

(SEAL)

Government's copy

ASSIGNMENT OF CONTRACT

WHEREAS, Peggy Keenan, doing business as Keenan Properties, hereinafter called the "Assignor," entered into Exploration Project Contract Idm-E58 (Docket No. DMA-654X), dated July 16, 1951, as amended, hereinafter called the "Contract"; and

WHEREAS, the Assignor assigned her interest in all the land which is the subject of the Contract to Northwest Defense Minerals, Inc., a Maryland corporation, hereinafter called the "Assignee";

NOW THEREFORE, the Assignor, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all of her right, title, and interest in the Contract, including all property acquired under the Contract and any and all other property devoted by the Assignor to the exploration work under the Contract. The Assignor consents to all future amendments of the Contract, and hereby releases the Government from any and all claims, past, present, or future, arising out of the Contract.

This assignment is subject to the written acceptance by the Assignee of the terms, provisions, and conditions of the Contract and to the written consent of the Government.

Dated this 7th day of December, 1954.

KEENAN PROPERTIES

By Peggy Keenan

_____

ASSIGNEE'S ACCEPTANCE

The Assignee, Northwest Defense Minerals, Inc., hereby accepts the above assignment and agrees to be bound by the terms, provisions, and conditions of the Contract.

Dated this 7th day of December, 1954

NORTHWEST DEFENSE MINERALS, INC.

By Peggy Keenan, President

GOVERNMENT'S CONSENT

The Government, this 13th day of December, 1954, hereby consents to the above assignment without releasing Peggy Keenan, doing business as Keenan Properties, from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By P. P. Mitkevich
Administrator, Defense
Minerals Exploration
Administration

Government's copy

EXPLORATION PROJECT CONTRACT
KEENAN PROPERTIES
DOCKET NO. DMA-654X

AMENDMENT NO. 8

It is agreed this 29th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Peggy Keenan, doing business as Keenan Properties, hereinafter called the "Operator," that Exploration Project Contract Idm-E58 (Docket No. DMA-654X), dated July 16, 1951, as amended, hereinafter called the "Contract," is further amended, effective October 28, 1952, as follows:

1. As an alternative to the method of recovering and concentrating metals and minerals as outlined in the first two paragraphs on page 2 under the heading "General Conditions" in Exhibit "A" (Amendment) in Amendment No. 3, the Operator may recover and concentrate metals and minerals by the method set forth in the attached flow sheet entitled "Keenan Properties Test Flow Sheet, March 22nd, 1954, outlined by G. W. Jarman." No cost of equipment, whether by purchase, rental, or otherwise, or materials, involved in this alternative test flow sheet which are not already provided for in the Exhibit "A" (Amendment) in Amendment No. 3, shall be allowable costs of the Contract, but shall be borne solely by the Operator without contribution by the Government.

2. Annex I attached to Amendment No. 6 is cancelled, and Annex II attached hereto and made a part hereof is substituted for the provisions of Article 15 of the Contract form.

3. In Article 3 of the Contract form, delete the period "prior to November 1, 1954," provided by Amendment No. 7, and substitute the period "prior to October 1, 1955."

4. Leased mining claims are added to the land referred to in Article 2 of the Contract, and the Owner's Consents to Lien covering the land (in lieu of Landlord's Subordination Agreements) are attached hereto, as follows:

Homeward Bound Claim

Homeward Bound Fraction

Golden Star

Perret Nos. 2, 3, and 5

Boston No. 5

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchenor
Administrator, Defense Minerals
Exploration Administration

KEENAN PROPERTIES

Keenan Properties

By Peggy Keenan

EXPLORATION PROJECT CONTRACT
KEENAN PROPERTIES
DOCKET NO. DMA-654X

ANNEX II

The following provisions are in lieu of Article 15:

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land,* as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years* from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

---

*** The period "fourteen" years" is substituted for the period "ten years."**

***The word "land" refers to the land described in Article 2 of the Contract form.**

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

58694

KERMAN PROPERTIES TEST FLOW SHEET. MARCH 22nd, 1954.

Outlined by G.V. Jarman.

			WT
		Hopper (KP)	
		Water ---------- ½" Overstrom Step Screen	
$1,000	1 HP	1" + 1" to waste	1,000 lbs
	Will handle 2 tons per hr in-feed.		
500.	½ HP	-- 1" + ½" to Picking Belt	1,000 lbs
		--½"	
		Dryer (KP)	
800.	½ HP	Richmond Gyro Whip Screen	800 lbs
550.	½ HP	S.S.& B. V-80 Whippet	200 lbs
		Lights to waste — Heavies	
1,100.	½ HP	Carpco Magnetic Separator	600 lbs
2,800.	½ HP	Carpco Electrostatic Separator	1,000 lbs
$ 6,550.	5½ HP		

Note: Requires 5 HP Engine Generator Set, sing phase 60 cycle, 110 V. (Rental)

LEGEND OF THE SEPARATION PROCESS

KERMAN PROPERTIES, MARCH 22,1954.

Outlined by G.V.Jarman.

Richmond Gyro Whip Screen (Dry)

Each screen size successively

V-80 Whippet

Lights to waste — Heavies — 3.50 sp.gr.

Carpco Magnetic separator

Magnetic

1st pass. Magnetite to waste

2nd pass. Garnet, Ilmenite, Hornblende,(back to table)etc.

3rd.pass. Monazite sands.

Non-Magnetic

Zircon
Rutile, Scheelite
Columbium-tantalum
Gold, Cassiterite

Carpco Electrostatic Separator

Conductors

Rutile, Columbium-Tantalum, Cassiterite, (back to table)etc.

Non-Conductors

Gold, Scheelite, Zircon.(back to table)etc.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, ~~[illegible]~~ has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/

Lode Claims Gold Bond, Gold Bond #1, Gold Bond #4, Three Jims #5 located in Bear Gulch,

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Northwest Defense Minerals, Inc. of Spearfish, South Dakota (Headquarters) and 2101 S Street, NW, Washington D. C.,

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 27th day of September, 1954.

Peggy Keenan President [Seal]
Peggy Keenan, President

Northwest Defense Minerals, Inc. [Seal]

John F. Stanwell-Fletcher [Seal]
John F. Stanwell-Fletcher, Secretary

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/

Connor's Ground property, placer gravels covered by claims Union 7, Union, Union 3,5; Boston 5 (M.S. 1787) and M.S. 392 (Beaver Creek); Leases dated November 1, 1949 - unrecorded. Included in Connors Ground are Elizabeths 7,8,9,10,11,12,13,14.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ PEGGY KEENAN d/b/a KEENAN PROPERTIES
SPEARFISH SOUTH DAKOTA

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 26th day of July, 1954.

A. O. Gillespie [Seal]

Lillian G. Gillespie [Seal]

_____ [Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/ W.O. Fillmore properties, placer deposits covered by claims as follows: Mayflowers 1,2,3,4; Perret 2,3,5; Daisy, Daisy 2; Belmont, Belmont 1,2,3,4 and the W.O. Fillmore Extension, Harkness, Harkness 1-8 (incl.) bounded on the north by M.S. 392, as described in deposition amendment to lease dated 8-8-48, unrecorded.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ PEGGY KEENAN d/b/a KEENAN PROPERTIES
SPEARFISH SOUTH DAKOTA

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 27th day of July, 1954.

_____ [Seal]

_____ [Seal]

_____ [Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

SEP 20 1954

WHEREAS, the undersigned, as owner, ~~co-owner~~, lessor, or ~~lessee~~ has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/

Placer Claim Lot No. 393 in Rawlins Distirict as per patent recorded August 20, 1898 at 3:00 O'clock P.M. in Book 139 Page 14 in the Lawrence County Court House, Deadwood, South Dakota. The above containing 138.27 acres according to the survey thereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ NORTHWEST DEFENSE MINERALS, INCORPORATED,
2101 S. STREET, NORTH WEST.
WASHINGTON, D.C. (A Delaware Corporation).

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 26 day of August, 1954.

BLACK HILLS TIN COMPANY [Seal]

BY- Ren J Beatty President [Seal]

_____ [Seal]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 4 - 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/

Oma Oma Fraction (MS 1879) and Golden Star and Golden Star No. 2 (MS1879) and the Homeward Bound claims controlled by a lease between Dakota Tin and Gold Co., Spearfish, South Dakota and Peggy Keenan, Spearfish, South Dakota, dated July 17, 1950 unrecorded,

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Peggy Keenan, d/b/a Keenan Properties, Spearfish, South Dakota,

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 29th day of October, 1954.

Dakota Lea Gold Co. [Seal]

By William G. Fillmore, Secy [Seal]

_____ [Seal]

Government's copy

Defense Minerals Administration
RECEIVED
MAY 17 1954

EXPLORATION PROJECT CONTRACT
KEENAN PROPERTIES
DOCKET NO. DMA-654X

AMENDMENT NO. 7

It is agreed this 10th day of May, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Peggy Keenan, doing business as Keenan Properties, that Exploration Project Contract Idm-E58 (Docket No. DMA-654X), dated July 16, 1951, as amended, is further amended, effective October 26, 1953, as follows:

1. In Article 3 of the contract form, delete the period "prior to June 30, 1954," provided by Amendment No. 6, and substitute the period "prior to November 1, 1954."

2. In Annex I attached to Amendment No. 6, delete the period "eleven years" and substitute the period "twelve years."

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mittendorf
Administrator, Defense Minerals
Exploration Administration

KEENAN PROPERTIES

By Peggy Keenan
d/b/a/ Keenan Properties
May 15 1954

Government's Copy

EXPLORATION PROJECT CONTRACT
KEENAN PROPERTIES
DOCKET NO. DMA-654X

AMENDMENT NO. 6

It is agreed this 26th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Peggy Keenan, doing business as Keenan Properties, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E58, Docket No. DMA-654X, dated July 16, 1951, as amended, between the parties hereto, be further modified and amended as follows:

1. In Article 3 of the contract form, the words "30 days (Phase 1)" are deleted and substituted therefor are the words "prior to June 30, 1954."

2. In lieu of Article 15 of the contract form, the provisions of Annex I attached hereto and made a part hereof are substituted.

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell
Administrator, Defense
Minerals Exploration
Administration

KEENAN PROPERTIES

By Peggy Keenan
Peggy Keenan

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 12 1952

ANNEX I

The following provisions are in lieu of Article 15 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years*(or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

AMENDMENT NO. 6

Amendment No. 6 returned to Needham by Operating Committee 10-23-53. (Needham unauthorized to sign extension of contract; amendment forwarded from Washington office.)

AMENDMENT NO. 5

Docket DMEA 654x, Contract Idm E-58, dated July 16, 1951, between the United States of America and Keenan Properties is amended to read as follows:

1. Completion date of phase 2 is extended to October 15, 1953.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total, or the percentage of costs which the Government may pay under the provisions of Article 13 of contract form.

Dated: May 26, 1953

UNITED STATES OF AMERICA

By: A. B. Needham
A. B. Needham, Executive Officer
Field Team, Region V

PEGGY KEENAN d/b/a KEENAN PROPERTIES

By: Peggy Keenan

Wash.

AMENDMENT NO. 4

Docket DMEA 654x, Contract Idm-458, dated July 16, 1951, between the United States of America and Keenan Properties is amended to read as follows:

1. Completion date of phase 2 is extended to July 1, 1953.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total, or the percentage of costs which the Government may pay under the provisions of Article 13 of contract form.

Dated: February 16, 1953

UNITED STATES OF AMERICA

By: A B Needham

A. B. Needham, Executive Officer
Field Team, Region V

PEGGY KEENAN d/b/a KEENAN PROPERTIES

By Peggy Keenan

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

Government's Copy

EXPLORATION PROJECT CONTRACT
PEGGY KEENAN d/b/a KEENAN PROPERTIES
DOCKET NO. DMA-654X
CONTRACT Idm-E58

AMENDMENT NO. 3

WHEREAS, the parties to this agreement are also the parties to Contract No. Idm-E58, Docket No. DMEA-654, executed on contract form MF-200 (June 1951), effective July 16, 1951, and amended twice; and

WHEREAS, the work under Phase I of the contract has been fully performed, and it is desired to define the work and estimate the costs under Phase II of the project which were provided for but unspecified at the time the contract was executed; and

WHEREAS, it is necessary to add land to Article 2 in order to perform the work under Phase II;

NOW, THEREFORE, it is agreed as follows:

1. Leased land is added to Article 2, and the Owner's Consents to Lien (in lieu of Landlord's Subordination Agreements) covering them, and attached hereto, are also included in Article 2. The land is as follows:

70 Flats Placer on Bear Creek (M.S. 393); and

Harkness, Harkness No. 1 - Harkness No. 9, inclusive, on Beaver Creek (known as the W. O. Fillmore Extension); all located in Lawrence County, South Dakota. See also map identified as "KP-A", attached hereto and included in Article 2.

2. The description of the work to be performed under Phase II and the estimated costs of performing it, are contained in Exhibit "A" (Amendment); attached hereto and made a part of the contract.

3. Article 3 is amended by deleting the words "within a period of 30 days (Phase I)," and substituting therefor the words "prior to March 1, 1953."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the costs which the Government may pay, under the provisions of Article 13 of the contract form.

Dated October 28, 1952.

THE UNITED STATES OF AMERICA

By O Mitterdorf
Administrator, Defense Minerals
Exploration Administration

PEGGY KEENAN d/b/a KEENAN PROPERTIES

By Peggy Keenan d/b/a Keenan Properties

EXPLORATION PROJECT CONTRACT
PEGGY KEENAN d/b/a KEENAN PROPERTIES
DOCKET NO. DMA-654X
CONTRACT Idm-E58

EXHIBIT "A" (AMENDMENT)

Description of the Work

Phase II

Explore with churn drill holes and test pits, the placer mining claims in the following areas:

Bear Creek

Seventy Flats Placer 393.

Beaver Creek

Placer 392; and Upper Beaver Creek, "W. O. Fillmore Extension", contiguous to Placer 392.

The work to be done consists of the following:

Bear Creek

One line of churn drill holes shall be drilled across the creek channel within 1500 feet of the South boundary of the property, where the boundary crosses Bear Creek. There shall be drilled not to exceed nine (9) holes of an approximate average depth of 20 feet each (or an approximate aggregate total of 180 feet of hole). The spacing between holes shall be approximately 50 feet.

If, in the opinion of the Government, the results obtained from this work justify additional exploration of this area, then, if approved in advance by the Government, a part or all of three (3) additional lines of holes shall be drilled at intervals of 1500 feet across the creek channel, according to the specifications for the original line of holes, (not exceeding a total of 27 holes with an approximate aggregate total of 540 feet). The values in each line of holes shall be checked by one test pit of an approximate depth of 20 feet (or a total of 4 test pits with an approximate aggregate total depth of 80 feet).

Beaver Creek

One line of churn drill holes shall be drilled across the creek channel immediately below the confluence of Potato, West Deer and Beaver Creeks, not to exceed nine (9) holes of an approximate average depth of 20 feet each (or an approximate aggregate total of 180 feet of drill hole). The spacing between the holes shall be approximately 50 feet.

If, in the opinion of the Government, the results obtained from this work justify additional exploration of this area, then a part or all of four (4) additional lines of holes shall be drilled, if approved in advance by the Government, according to the specifications for the original line of holes. One line may be located across the creek channel up Beaver Creek from the first line of holes. The other three lines of holes may be drilled down the Creek and across the channel at intervals of not less than 2000 feet measured starting from the first line of holes. The values in each line of holes shall be checked by one test pit of an approximate depth of 20 feet (or a total of five test pits with an approximate aggregate total depth of 100 feet).

General Conditions

Each drill hole shall be cased, shall be 6 inches in diameter, and shall be drilled to a depth in the bedrock to where the enriched mineral values are recovered. All material recovered from each drill hole shall be thoroughly washed. The contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals shall be concentrated by panning and the free gold values separated and estimated as value per cu. yd. The remaining concentrate is to be split into two equal samples, one of which shall be retained by the Supervising Engineer and analyzed by a Government approved laboratory for tin, tungsten, tantalum and columbium. The other sample shall be delivered to the Government.

The test pits shall be sunk by using a caisson lining having a beginning diameter of not less than 48", and the caisson shall be continuously advanced ahead of the material being excavated. Each pit shall be sunk into the bedrock to where the enriched mineral values are recovered. All of the excavated material from each separate pit is to

be thoroughly washed by a trommel screen having 3/8" holes, and the fines containing tin, columbium, tantalum, tungsten, gold, and other minerals or metals shall be concentrated by a rougher and cleaner jig unit and a Wilfey type table. From the concentrate produced, the free gold shall be removed and the estimated value per cu. yd. determined. The remaining concentrate shall be split into two equal samples. One sample shall be retained by the supervising engineer and analyzed by a Government approved laboratory for tin, tungsten, tantalum and columbium. The other sample shall be delivered to the Government.

A Supervising Engineer, approved by the Government, will direct this entire exploration program and will prepare all reports required under the contract.

The Supervising Engineer shall select the location of the drill holes and test pits. However, before performing any work, prior Government approval must be obtained.

Estimated Costs of the Project
(*Indicates allowable maximum amount to which the Government will contribute)

(1) Independent Contracts

80* churn drill holes, 1600 feet* @ $5.50/ft.*, includes washing the drill cuttings, and concentrating the contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates	$ 8,800.00*
9* test pits, 180 feet*@ $25.00/ft.*, includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates	4,500.00*

(2) Fixtures and Improvements

None

(3) Rehabilitation and Repairs

None

(4) Labor and Supervision

Engineer-Supervisor @ $50/day - 100 days, includes surveying, map preparation, engaging workmen, renting equipment, purchasing supplies, keeping records, preparing the required Government reports (in quintuplicate)		$5,000.00

(5) Operating Materials and Supplies

Gasoline and lubricants for truck, pumps and washing plant @ $100/mo. - 3½ months		350.00

(6) Operating Equipment

To be rented

1 Pickup truck @ $160.00/mo. - 3½ months, includes all repairs		560.00

(7) Miscellaneous

Meals and quarters - 687 days @ $8.00*/day	$5,496.00	
Engineer and personnel traveling expenses	1,000.00	
Analytical work - 89 samples @ $25.00/sample	2,225.00	
		8,721.00

(8) Contingencies

Unforeseen expenses	2,000.00*
Estimated Cost of Phase II	$29,931.00*
Government Participation @ 90%	$26,937.90*

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/

The Harkness Claim; the Harkness No.1; the Harkness No.2; the Harkness No.3; the Harkness No.4; the Harkness No.5; the Harkness No.6; the Harkness No.7; the Harkness No.8- Bounded on the North by M.S.392 as described in deposition amendment to lease dated 8-8-48.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ _____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 70% of the total cost of exploration or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 16th day of October, 1952.

N. O. Gillmore [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner of the mineral rights and water rights has an interest in certain property in the State of South Dakota, County of Lawrence, described as follows:1/ Placer Claim Lot No. 393 in Deadwood District as per patent recorded August 20, 1898 at 3:00 o'clock P.M. in Book 139 Page 14 in the Lawrence County Court House, Deadwood, South Dakota. The above containing 13[illegible].27 acres according to the survey thereof.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

Percy Keenan d/b/a/ Keenan Properties, Spearfish, South Dakota

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 50% of the total cost of exploration, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 14 day of October, 1952.

BLACK HILLS TIE COMPANY [Seal]

ATTEST: By [signature] [Seal]
Its President

[Seal]
Its Secretary

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

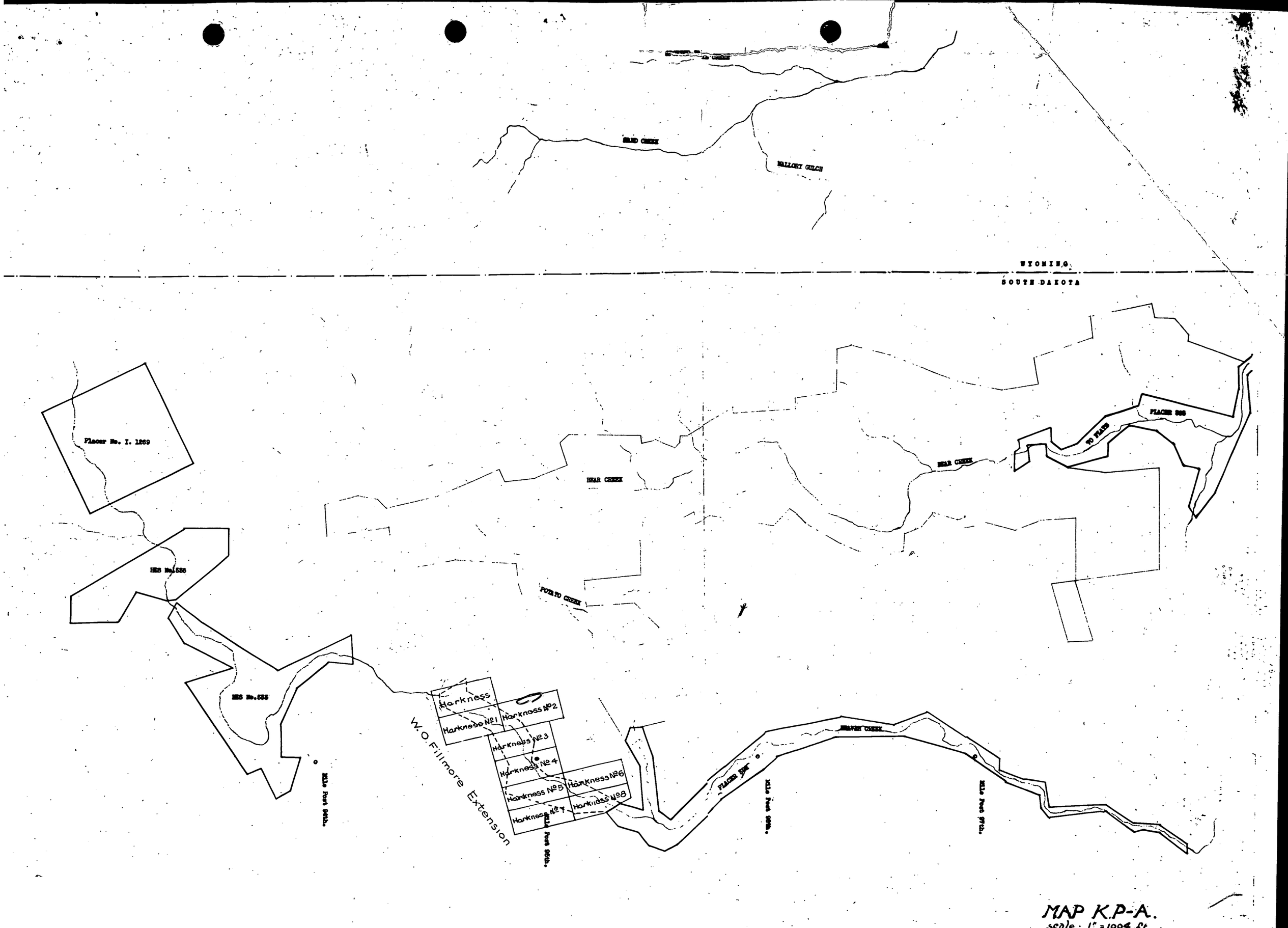
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.



MAP K.P-A.
scale: 1" = 1004 ft.
KEENAN PROPERTIES, INC.
LAWRENCE CO. SOUTH DAKOTA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. A. B. Needham
Executive Officer
Field Team, Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. 654X, Contract Idm-158
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota
(Tin, Columbium, Tantalum, Tungsten)

Dear Mr. Needham:

Enclosed herewith is the formal request and proposal for Phase II of the above captioned contract. Also enclosed is a photostat of the Walter H. Johnson report which was sent to your office with our letter of May 22.

Included with the Phase II proposal you will note a memorandum on the subject project by Bill Roadgate dated June 2, 1952. This memorandum draws attention to several apparent discrepancies in the Johnson report. One important difference lies in the calculation of yardage that has been tested to date. It is stated that Johnson calculated from maps that were reduced without taking into consideration such reduction in the scale. There are various ways of checking the difference. One way would be to actually tape the distance between two of the trenches whose locations are shown on the map.

Where the proposed work is to be done on that area not specifically shown in the land description of the contract, if you agree that the work should be done as proposed, the additional land description can be added to the contract so as to protect the Government in any future production. You will note, however, that the estimated cost of Phase II has been reduced from $81,000 in the existing contract, to a total of $59,680.

You may find it necessary to take a few spot samples from the existing trenches where the Johnson work was done, in order to check some of the samples that were sent to you providing you have not already done so. This would, of course, entail considerable work in that the samples would have to be concentrated to properly reveal this columbium-tantalum content. Perhaps your knowledge of the samples you have is sufficient upon which to base your recommendation.

In the event you find it necessary to get in touch with the Applicant direct, you may address her care of Mr. [illegible] C. Broadgate, 421 Power Building, Washington, D. C.

Sincerely yours,

FRANK E. JOHNSON

Chairman, Operating Committee

Enclosures:
1 copy Johns report
1 copy Proposal, Phase II
4 maps

EWEllis/gla 6-18-52

cc to: Adm. Reading File
Operating Committee
Docket
Messrs. A. Kenick, Rm. 3061
E. T. McKnight, Rm. 4204 GSA
Chambers, Rm. 2612
Ellis

APPROVED:

C. N. Johnson
Member, Bureau of Mines

D. M. Lemmon
Member, Geological Survey

Form 6570
TREASURY DEPARTMENT
TREASURER U. S.

POWER OF ATTORNEY BY INDIVIDUAL FOR THE COLLECTION OF A SPECIFIED CHECK DRAWN ON THE TREASURER OF THE UNITED STATES

Know all Men by these Presents:

That the undersigned, Peggy Keenan, of 421 Tower Building, Washington 5, D. C. (Post-office address), does hereby appoint Walter W. Johnson, of San Francisco, California (Post-office address) as attorney to receive, endorse, and collect check No. 20,495,269, dated April 21, 1952, for Three thousand five hundred thirty-two and 70/100 dollars drawn on the Treasurer of the United States, by Lea Testin, Regional Disbursing Officer Symbol No. 409, in favor of Peggy Keenan d/b/a Keenan Properties, and to give full discharge for same; hereby ratifying and confirming all that said attorney shall lawfully do or cause to be done by virtue hereof.

WITNESS the signature and seal of the undersigned, this Twenty-Fourth day of April, 1952.

Peggy Keenan d/b/a Keenan Properties [SEAL]

Audrey C. Harris
1719 Thirteenth St., N.W.
(Address)
Alice James
15-26 Morland Ave. Bell Md.
(Address)
} Two witnesses.

Peggy Keenan

Personally appeared before me the above-named Peggy Keenan known or proved to me to be the same person who executed the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed; and I hereby certify that the said power of attorney was read and fully explained to the said grantor at the time of acknowledgment.

WITNESS my signature, official designation, and seal.

Agnes L. Pace
(Signature of attesting officer)

[IMPRESS SEAL HERE]

Notary Public, District of Col.
(Official designation)

Dated at Washington, D.C., this 24th day of April, 1952

My Commission Expires Dec. 14, 1955

My commission expires _____, 19____

IMPORTANT.—Do not execute this instrument without first reading the instructions on the reverse side hereof. Exact compliance with these instructions will avoid complications.

2—16853

INSTRUCTIONS—READ CAREFULLY

1. A specific power of attorney on this form, which must be executed after the issuance of the check, describing the check in full, as prescribed in Section 3477 of the Revised Statutes as amended (Title 31, sec. 203, U. S. Code), is required for endorsement by other than the payee, of checks showing on their face that they were issued by the Treasurer of the United States in payment of settlement warrants, or that they constitute payments of disability compensation of the Veterans' Administration or the Employees' Compensation Commission, disability allowance, pensions, annuities, gratuities, or insurance, except monthly installments of life insurance, for which a special power of attorney, limited in its terms, may be accepted, and blanks therefor (Form 6584) may be procured from the Treasurer of the United States, Washington, D. C.

2. The power of attorney on the reverse hereof when executed as above should be attached to the check described therein when presented for payment to the Treasurer of the United States, Washington, D. C.

3. The power must be executed by the grantor in the presence of two attesting witnesses, and must be acknowledged before a notary public or other officer authorized by law to take acknowledgments of deeds. Also, if the signature of the grantor is made by mark, it should be witnessed by at least one person who can write besides the acknowledging officer, giving his place of residence in full.

4. If in a foreign country, the acknowledgment should be made before a United States diplomatic or consular representative. If such an officer is not available, it may be acknowledged before a notary or other officer authorized to administer oaths, but his official character and jurisdiction must be certified by a United States diplomatic or consular officer, under the seal of his office.

5. Seals of attesting officers must always be impressed; provided, however, that where acknowledgments before a notary public, or other officer authorized by law to take acknowledgments of deeds, are not thus authenticated by the official impression seal of such officer, the power should be accompanied by a certificate from the proper official showing that the officer was in commission on the date of the acknowledgment. The date when the officer's commission expires should appear in any event. If a certificate is furnished, such certificate should show the dates of the beginning and expiration of the officer's commission, and such period of commission should include the date of acknowledgment of the power.

6. Endorsement of the check under this power of attorney should be in the following form:

"_____, by _____, Attorney in fact."
(Name of payee)

U. S. GOVERNMENT PRINTING OFFICE 2—16853

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

MAY 12 1952

Miss Peggy Keenan
605-A Westchester Apts.
4000 Cathedral Ave. N. W.
Washington, D. C.

Re: Docket No. DMA-654X
Contract No. Idm-E58
(Tin, Columbium-Tantalum, Tungsten)
Lawrence County, South Dakota

Dear Miss Keenan:

Enclosed please find your copy of executed Amendment No. 2 to Exhibit A of the above captioned project. This amendment provides for the payment of 90% of $381.96, or $343.76, and represents extra labor above the estimated contract amount.

In order to collect these approved funds, kindly file four copies of the regular progress report (Form MP-104) with the Executive Officer of Region V as you have done in the past.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

Enclosure
EWEllis/gla 5-8-52
cc to: Adm. Reading File
Docket
Messrs. Chambers, Rm. 2612
Ellis
DMEA Field Team, Region V (2)

AMENDMENT NO. 2

Docket DMA-654X, Tin, Columbium, Tantalum, Tungsten
Exploration Project Contract Idm-E58
Peggy Keenan d/b/a Keenan Properties
421 Tower Building, Washington 5, D. C.

Exploration Project Contract No. Idm-E58, dated July 16, 1951, between the United States of America and Peggy Keenan d/b/a Keenan Properties, is hereby amended as follows:

> Sections 2 and 3, Labor and Supervision, of Phase 1 of the contract, totalling $2300, are amended by adding the sum of $381.96 to the total, making the total allowance for these two items the sum of $2681.96.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the costs which the Government may pay, under the provisions of Article 13 of the contract form.

The work under Phase 1 is fully performed, and this amendment settles and satisfies all obligations of the parties, one to the other, under Phase 1.

Dated May 8, 1952.

United States of America

By C O Mittendorf
Acting Administrator - DMEA

Peggy Keenan
Peggy Keenan - Operator

MAY 1 2 1952

Mr. A. E. Needham
Executive Officer
DMA Field Team, Region V
2908 Colfax Ave., South,
Minneapolis 5, Minnesota

Re: Docket No. DMA-654X
Contract No. Idm-258
(Tin, Columbium, Tantalum, Tungsten)
Peggy Keenan, d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Mr. Needham:

Enclosed find Amendment No. 2 for your file on the above captioned docket. We have delivered the Operator's copy to Applicant's principal at the Washington address. A copy for the Regional Finance Officer will be forwarded directly by the Washington Finance Division.

Subject amendment was quite thoroughly discussed with the Legal Division as well as the Contract Administration and Audit Division. The outcome of said discussion was a decision to pay the sum of $343.76 (90% of $381.96) which amount does not exceed the Government's share of the contract.

Four copies of the final report of the Walter A. Johnson Company have been received in Washington.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Enclosure

EWEllis/gla 5-8-52
cc to: Adm. Reading File
Docket
Operating Committee
Messrs. Chambers (with original copy of amendment)
Ellis

J. H. Hedges

For Bureau of Mines

/s/ D. M. Lemmon
For Geological Survey

Contract Docket No. DMA-654X, Contract Number 1DM-E58 dated July 16, 1951 between the United States of America and Peggy Keenan d/b/a Keenan Properties is hereby amended as follows:

1. The description of Phase 1 under Exhibit A amended to provide for a test shaft or shafts in gravel too deep to trench. This gravel specifically is at Beaver Crossing near the confluence of Potato Creek and Beaver Creek, on Placer Survey M.S. 392.

2. The list in Exhibit A under the title 'Operating Equipment' is amended to provide for the rental of a passenger car and a pickup truck, at rates of $240 a month and $275 a month, respectively.

3. The list in Exhibit A under the title 'Operating Equipment' is amended to provide for the rental of a 1/2-yd. dragline for approximately 20 days at $15 an hour (The rate to include operator, fuel, and upkeep of equipment) to be used in lieu of the D8 bulldozer, as needed.

4. The list in Exhibit A under the title 'Operating Equipment' is amended to provide for the rental of additional self-priming pumps as needed.

5. Item 3 under 'Labor and Supervision' in Exhibit A is amended to provide for six helpers instead of four at $1 to $1.57½ an hour with time and a half for overtime.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the costs which the Government may pay, under the provisions of Article 13 of the contract form.

Dated Aug 31, 1951

By [signature]
Executive Officer, DMA

By Peggy Keenan
Peggy Keenan, d/b/a Keenan Properties

Cont. Serv
Change
Noted.
Rev

Docket No. DMA 645

Commodity Tin, Columbium, Tantalum, Tungsten)

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 58

Date of ~~Contract or~~ Amendment: October 20, 1952

Name and Address of Operator:

Poggy Keenan d/b/a
Keenan Properties
Lawrence County, S. D.

Amount of Government participation $ 26,037.00

Percent of Government participation 90 %

Region: V State: S. D.

(Name)

J. V. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Oct. 23, 1952 13908

Docket No. 654

Commodity Tin-Columbium Tantalum-Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 58

Date of Contract ~~or Amendment~~: July 16, ~~1952~~ 1951

Name and Address of Operator:
Perry Keenan d/b/a Keenan Properties
Spearfish, South Dakota

Amount of Government participation $90,000.00

Percent of Government participation 90 %

Region: V State: South Dakota

NOTE: please release $72,900.00.

J.L. Chambers (Name)
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. July 9, 1952

13908

MF-200
(June 1951)

Docket No. DMA 654X
Commodity Tin
Columbium
Tantalum
Tungsten
Idm-E58

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED
JUL 23 1951
G.A.O.

Index
No. Card
Card
Reviewed 8/31/51

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 16th day of JULY, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]
Peggy Keenan d/b/a Keenan Properties
(% W. C. Broadgate)
421 Tower Building
Washington 5, D. C.
hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of South Dakota, County of Lawrence described as follows: [3] located placer mining claims on Bear Creek and on Potato Creek in the Bear Creek area, Rawlins Mining District, as specified in Appendix 1 attached hereto.

with respect to which the Operator represents and undertakes: [4] See Appendix 1 attached hereto

~~(a) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

Supplement No. Amended 8-31-51 Attached 9-25-51

~~(b) That he is a lessee in possession and entitled to possession, and the subordination agreement of the lessor is attached.~~

3. *Exploration project.* The Operator, within 10 days from the date of this contract shall commence work on a project of exploration for [5] tin, columbium, tantalum, tungsten; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 30 days (Phase 1) from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

JUL 26 1951
REC'D
CONTRACT SECT.
G.A.O.

16—64066-2

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 90,000.00, which is 90 percent of the agreed estimated total cost of this project, $ 100,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Peggy Keenan
d/b/a Keenan Properties
(Operator)

By Peggy Keenan

THE UNITED STATES OF AMERICA

By C O Mittendorf

C. O. Mittendorf, Director, P.E.D.
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

APPENDIX I

The Operator represents, undertakes, and warrants that:

(a) She is the sole owner in possession and entitled to possession of the following claims which are free of all liens and encumbrances of any sort:

Gold Bond	Recorded April 26, 1951, Book 311, Page 234.
Gold Bond No. 1	Recorded April 26, 1951, Book 311, Page 235.
Gold Bond No. 4	Recorded April 26, 1951, Book 311, Page 236.
Three Jims No. 5	Recorded April 26, 1951, Book 311, Page 237.

(b) She is a lessee in possession and entitled to possession of the following claims under the instruments as shown and the subordination agreements of the lessors are attached:

Potato Creek - Beaver Creek Area

Leased from W. O. Fillmore:

Placer Survey MS. 392,	Lease	dated	November	1,	1949.	Unrecorded.
Belmont	"	"	August	8,	1948.	"
Belmont #1,#2,#3 & #4,	"	"	"	"	"	"
Daisy	"	"	"	"	"	"
Daisy #2	"	"	"	"	"	"

Bear Creek Area

Golden Star #2 - Leased from Dakota Tin & Gold Company by instrument dated July 16, 1948, recorded in book 301, page 157.

Oma & Oma Fraction - Leased from Dakota Tin & Gold Company by instrument dated July 16, 1948, recorded in book 301, page 157.

Mayflower #1, #2, #3 and #4 - Leased from W. O. Fillmore by instrument dated August 8, 1948. Unrecorded.

Union - Leased from L. G. and W. O. Fillmore (Connor's ground) by instrument dated November 1, 1949. Unrecorded.

Union #3, #5 and #7 - Leased from L. G. & W. O. Fillmore (Connor's ground) by instrument dated November 1, 1949. Unrecorded.

Elizabeth #9, #10, #11 and #12 - Leased from L. G. and W. O. Fillmore (Connor's ground) by instrument dated June 14, 1948, recorded in book 301, pages 157 and 164.

Elizabeth #7, #8, #13 and #14 - Leased from L. G. and W. O. Fillmore (Connor's ground) by instrument dated June 14, 1948, recorded in book 301, pages 157 and 164.

(c) The above designated leases are now and during the term of this agreement will be in full force and effect.

EXHIBIT "A"

The exploratory work to be performed under this contract will consist of two parts, Phase 1 and Phase 2. Phase 1 will commence immediately. Phase 2 will depend upon the outcome of Phase 1 and will be commenced only upon the written approval of the Government.

Phase 1

Phase 1 will consist of bulldozing five trenches to bedrock, three across the gravel deposit on Bear Creek and two across the gravel deposit on Potato Creek at points to be selected by the representatives of the Government working in conjunction with the Operator's engineer. The Operator is to sample carefully the gravel taken from the trenches in accordance with conventional and approved sampling practices and will submit a complete report of the results obtained to the Government upon completion of the project. The estimated cost of Phase 1 is as follows:

Fixtures and improvements	- None	
Operating Equipment:		
Equipment to be purchased	- None	
Equipment to be rented:		
1. D8 Cat, bulldozer, scraper, approximately 20 days @ $14.00 per hour (The rate includes operator, fuel and upkeep of equipment.)		$2,200.00
2. Two- 4 self priming pumps including suction hose and pipe		400.00
3. Small equipment shovels, pans, incidentals, supplies		100.00
	Subtotal	$ 2900.00
Equipment to be supplied	- None	

Labor and supervision:

1. Superintendent in charge of sampling One @ $_____ per day	1,000.00	
2. Rockers in charge of panning Two @ $_____ per day	800.00	
3. Helpers (laborer) Four @ $1.00 to $1.57½ per hour with time and a half for overtime	1500.00	2300.00
4. Truck driver - One @ $1.00 to $1.50 per hour	350.00	
5. Allowance to employees for room and board at Spearfish in lieu of board and lodging furnished on the job	1250.00	
6. Travel - Three Men	2400.00	
7. Services of Mr. Walter W. Johnson 30 days @ $100.00 per day	3000.00	
8. General supervision, bookkeeping, vouchers, and records - Wages of employees allocated upon the basis of time actually spent on the project	500.00	
Subtotal		$10,800.00

Rehabilitation and repairs - None

Miscellaneous other costs:

Fuel and repairs for pumps, engines and truck	500.00	
Assaying approximately 50 samples	3500.00	
Compensation insurance, public liability insurance, etc.	500.00	
Contingency	1000.00	
Subtotal		$ 5500.00
Grand Total		19,000.00

19000.00
186

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Lawrence, State of South Dakota, described in a certain Exploration Project Contract dated June 16, 1951, between Peggy Keenan, Keenan Properties and Defense Minerals Administration, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under leases dated Aug.8,1948 and Nov.1st,1949, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 16th day of June, 1951

M. O. Gillmore

U. S. GOVERNMENT PRINTING OFFICE 940768

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Lawrence, State of South Dakota, described in a certain Exploration Project Contract dated June 16, 1951, between Peggy Keenan, Keenan Properties & Defense Minerals Administration, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated Sept 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

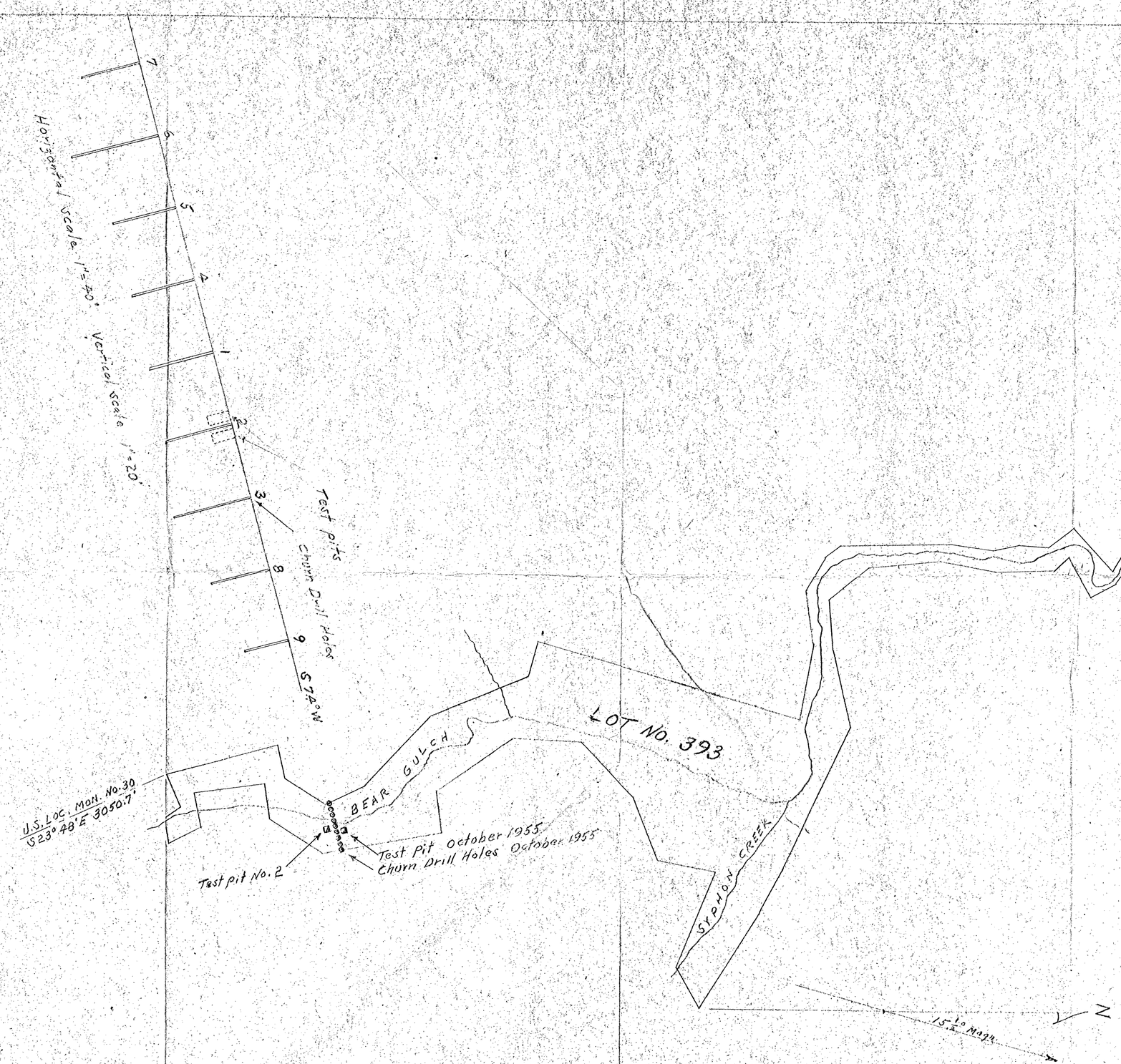
The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

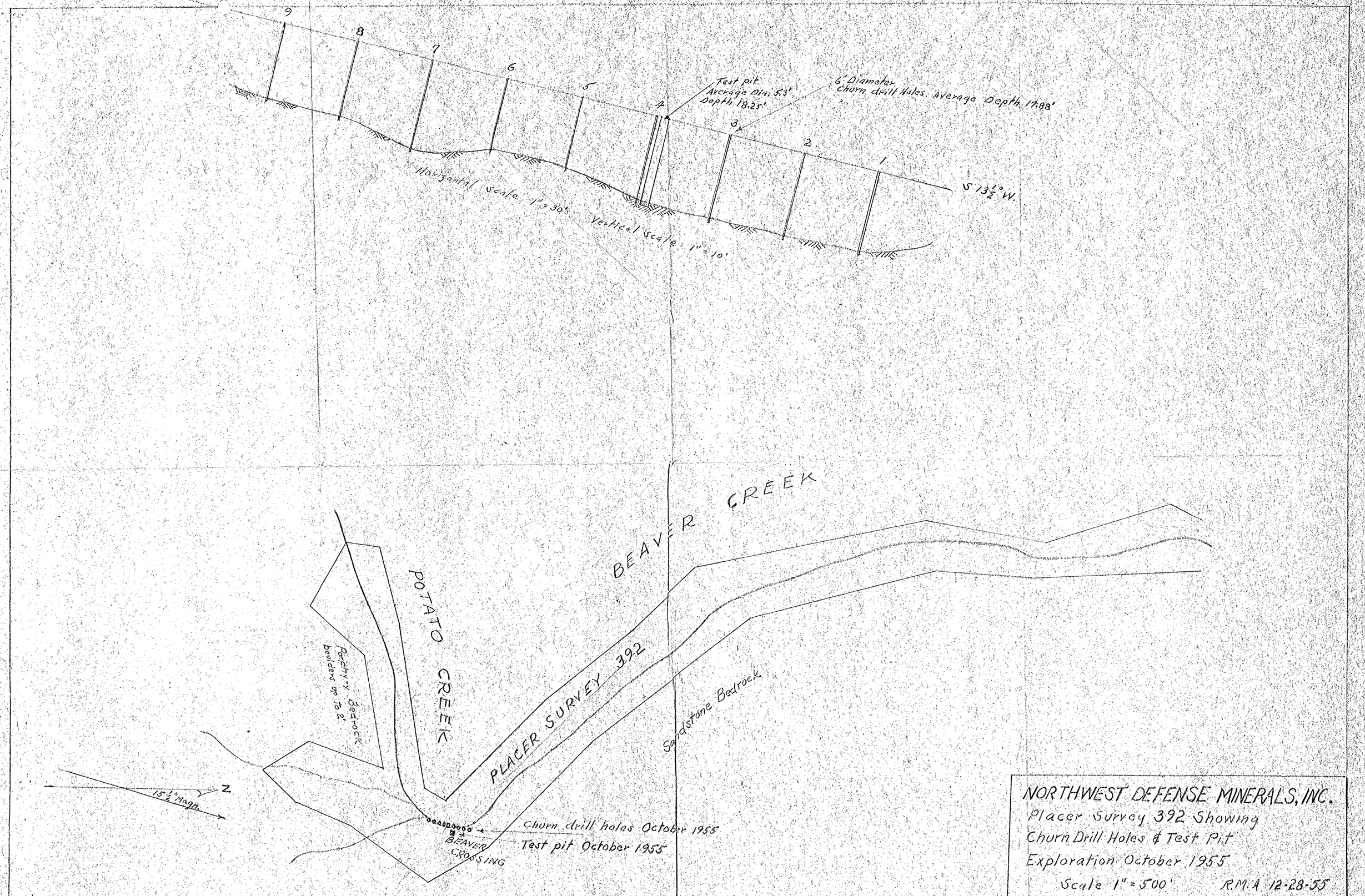
Dated this 16th day of June, 1951

The Dakota Tin & Gold Co.
William G. Fillmore
Secy-Treas.

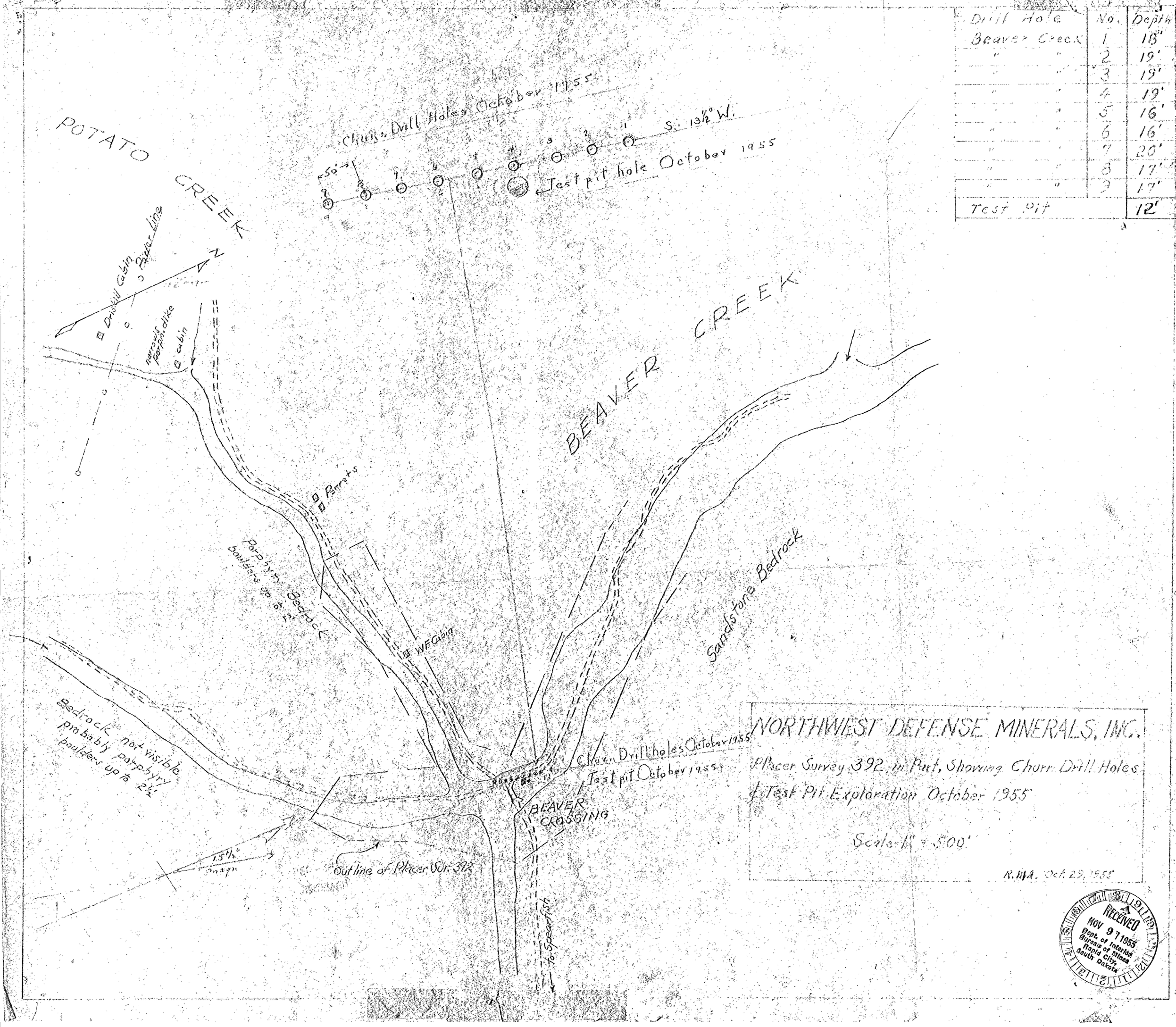
U. S. GOVERNMENT PRINTING OFFICE 940768



NORTHWEST DEFENCE MINERALS, INC.
PLACER SURVEY NO. 393
Churn Drill Holes & Test Pits
Exploration October 1955
Scale 1" = 500'
R.M.A 12-29-55


9
8
7
6
5
4
3
2
1
Test pit
Average Dia. 5.3'
Depth 18.25'
6" Diameter
Churn drill Holes. Average Depth 17.88'
S 13½° W.
Horizontal Scale 1" = 30'
Vertical Scale 1" = 10'
BEAVER CREEK
POTATO CREEK
PLACER SURVEY 392
Sandstone Bedrock
Rocky Bedrock
boulders up to 2'
15½° Magn.
N
Churn drill holes October 1955
Test pit October 1955
BEAVER CROSSING
NORTHWEST DEFENSE MINERALS, INC.
Placer Survey 392 Showing
Churn Drill Holes & Test Pit
Exploration October 1955
Scale 1" = 50'
R.M.A. 12-28-55

Drill Hole	No.	Depth
Beaver Creek	1	18'
" "	2	19'
" "	3	19'
" "	4	19'
" "	5	16'
" "	6	16'
" "	7	20'
" "	8	17'
" "	9	17'
Test Pit		12'



NORTHWEST DEFENSE MINERALS, INC.

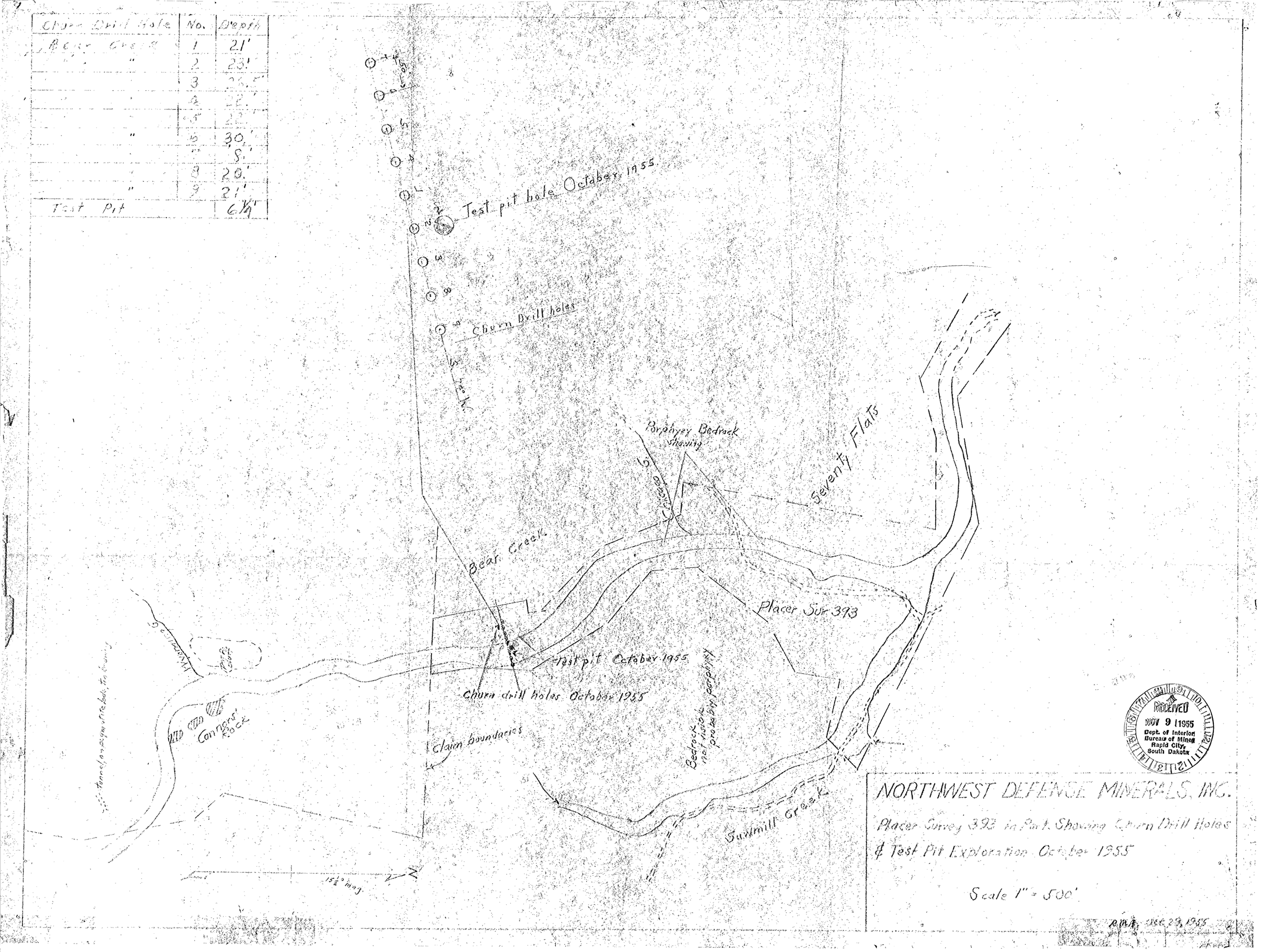
Placer Survey 392, in Part, Showing Churn Drill Holes & Test Pit Exploration October 1955

Scale 1" = 500'

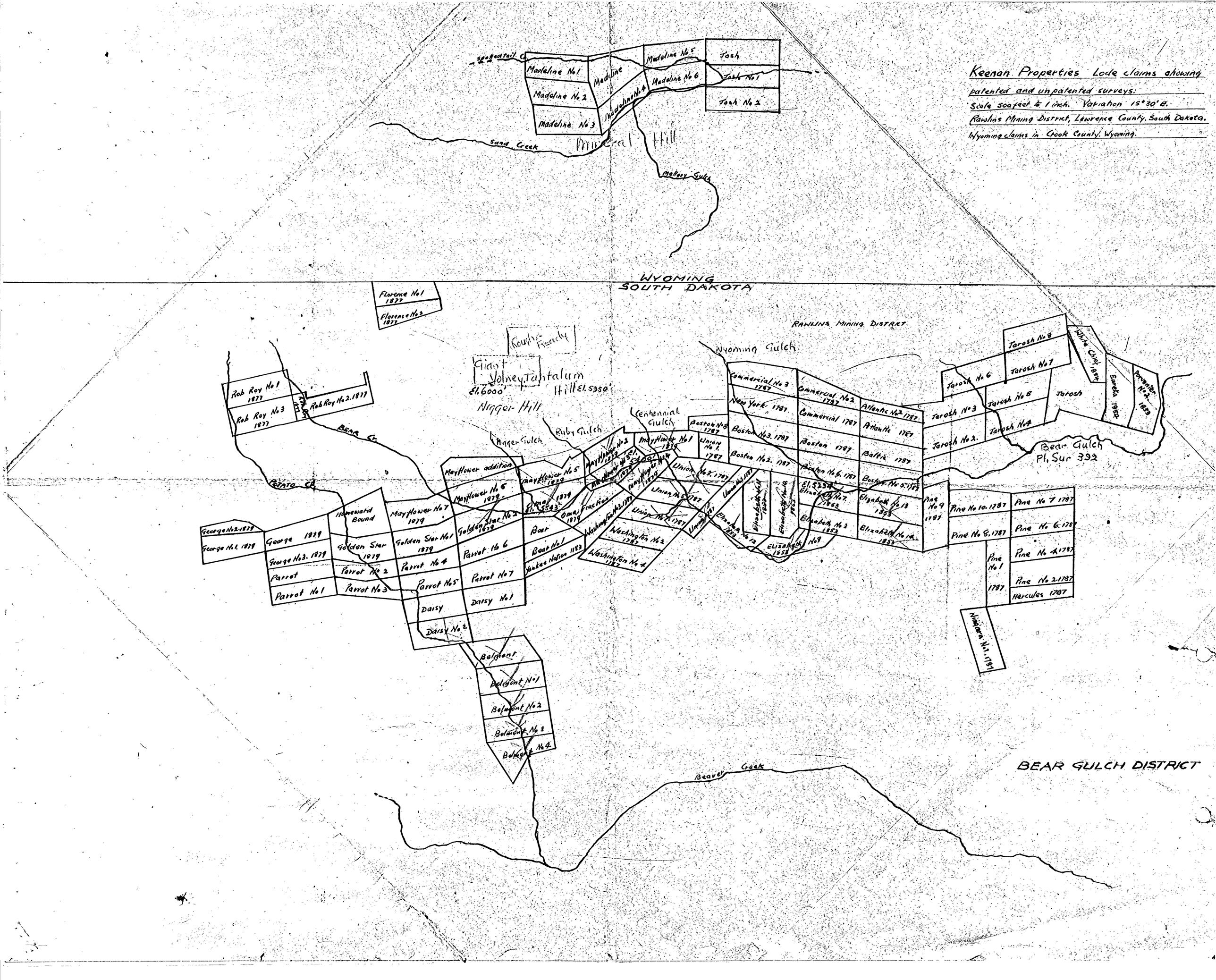
R.M.A. Oct. 29, 1955

RECEIVED
NOV 9 1955
Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

Churn Drill Hole	No.	Depth
Bear Creek	1	21'
"	2	23'
	3	26.5'
	4	2[illegible]
	5	22'
"	6	30'
	7	5'
	8	20'
"	9	21'
Test Pit		6½'



Keenan Properties Lode claims showing patented and unpatented surveys:
Scale 300 feet to 1 inch. Variation 15°30' E.
Rawlins Mining District, Lawrence County, South Dakota.
Wyoming claims in Crook County, Wyoming.



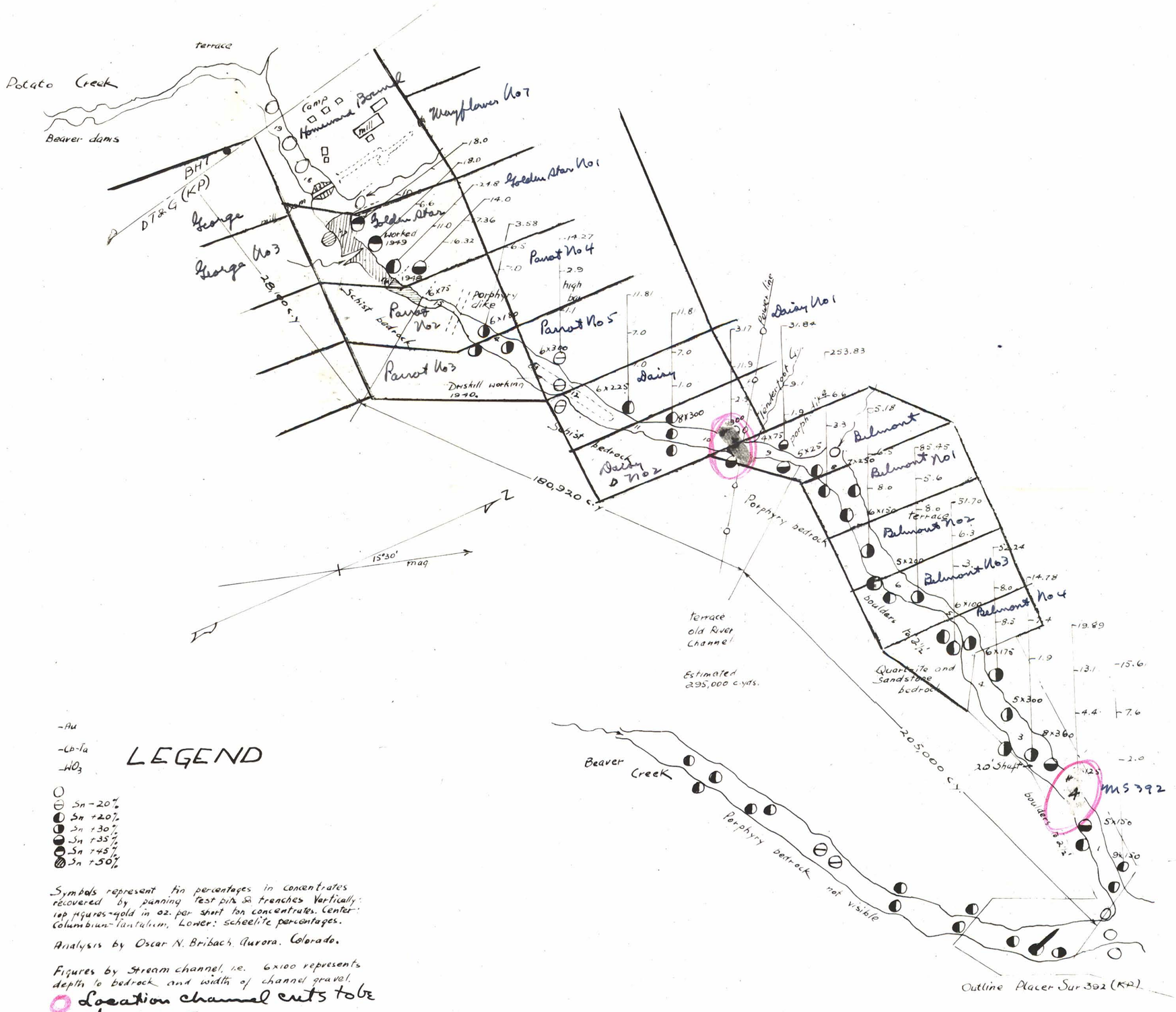
POTATO CREEK

KEENAN PROPERTIES

MAP # 2.

Potato Creek Placer Ground Survey. October 1949
Scale: 1" = 600' approx
Distances paced. Section width measured, bedrock position from test pits & trenches. Total yardage excluding Sections 16-19. 579,920 c.yds.

W.C. Driskill October 27. 1949.



LEGEND

- Au
- Cb-Ta
- WO_3

- Sn - 20%
- Sn + 20%
- Sn + 30%
- Sn + 35%
- Sn + 45%
- Sn + 50%

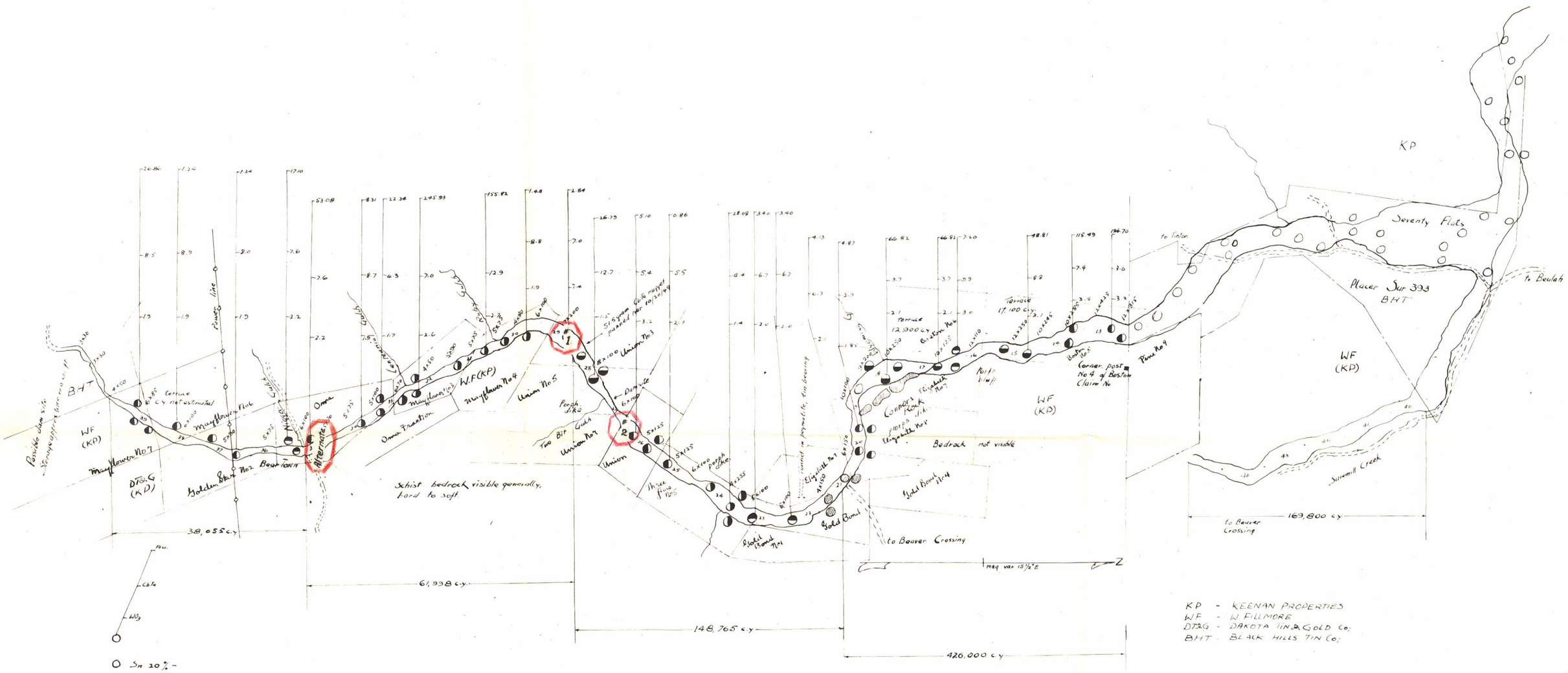
Symbols represent tin percentages in concentrates recovered by panning test pits & trenches. Vertically: top figures - gold in oz. per short ton concentrates. Center: Columbium-Tantalum. Lower: scheelite percentages.

Analysis by Oscar N. Bribach. Aurora. Colorado.

Figures by stream channel, i.e. 6x100 represents depth to bedrock and width of channel gravel.

Location channel cuts to be explored 1951

BEAR CREEK



Symbols represent tin percentages in concentrates recovered from test holes & trenches; Gold in oz. per short ton; columbium-tantalum percentage and scheelite.

Analysis by Oscar N. Brisbach, Aurora, Colorado.

Areas circled in red indicate location of test trenches, numbers 1, 2, and Alternate for Exploration and Development Project, 1951.

figures by stream channel indicate depth to bedrock and width of gravel. c.y. 10x150
Sections 600 feet long measured.
numbers in sections correspond with numbers shown on Maps 3 & 4.

KP - KEENAN PROPERTIES
WF - W. FILLMORE
DT&G - DAKOTA TIN & GOLD Co.
BHT - BLACK HILLS TIN Co.

KEENAN PROPERTIES

Bear Creek Placer Ground Survey. Sept-Oct, 1949.

Scale 1" = 600' approx.

Distances paced, compass bearings. Sections & bedrock measured. bedrock position from test pits and trenches.

Total yardage: 854,618 cubic yards, including Sawmill Cr. area.

Map 1. To accompany Report on Bear & Potato Cr. Placers

by

W. C. Dickill October 27, 1949.

MAP # 1